

Medium Term Revenue and Expenditure Framework

Prepared in terms of the local government:

Municipal Finance Management Act

(56/2003): Municipal Budget and Reporting

Regulations, Government Gazette 32141, 17

April 2009.



**“Shared
prosperity
through
co-operative
participation”**

**ANNUAL ORIGINAL
BUDGET 2020/2021**

**SWELLENDAM
MUNICIPALITY**

28 May 2020





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Glossary

Adjustments Budget – Prescribed in section 28 of the MFMA. The formal means by which a municipality may revise its annual budget during the year.

Allocations – Money received from provincial or national government or other municipalities.

AFS – Annual Financial Statements.

Budget – The financial plan of the Swellendam Municipality.

Budget Related Policy – Policy of a municipality affecting or affected by the budget, examples include tariff policy, rates policy and credit control and debt collection policy.

Capital Expenditure – Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the municipality's Statement of Financial Position.

Cash Flow Statement – A statement showing when actual cash will be received and spent by the municipality. Cash payments do not always coincide with budgeted expenditure timings. For example, when an invoice is received by the municipality it is shown as expenditure in the month it is received, even though it may not be paid in the same period.

CFO – Chief Financial Officer of the Swellendam Municipality.

DORA – Division of Revenue Act. Annual legislation that shows the total allocations made by national to provincial and local government.

Equitable Share – A general grant paid to municipalities. It is predominantly targeted to help with free basic services.

Fruitless and wasteful expenditure – Expenditure that was made in vain and would have been avoided had reasonable care been exercised.

GFS – Government Finance Statistics. An internationally recognised classification system that facilitates like for like comparison between municipalities.

GRAP – Generally Recognised Accounting Practice. The standard for municipal accounting and basis upon which the AFS are prepared.

IDP – Integrated Development Plan. The main strategic planning document of the municipality.



KPI's – Key Performance Indicators. Measures of service output and/or outcome.

MBRR – Local government: Municipal Finance Management Act (No. 56 of 2003): Municipal budget and reporting regulations.

MFMA – The Municipal Finance Management Act (No. 56 of 2003). The principle piece of legislation relating to municipal financial management.

MTREF – Medium Term Revenue and Expenditure Framework. A medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years budget allocations. Also includes details of the previous three years and current years' financial position.

NT – National Treasury

Net Assets – Net assets are the residual interest in the assets of the entity after deducting all of its liabilities. This means the net assets of the municipality equates to the "net wealth" of the municipality, after all assets were sold/recovered and all liabilities paid. Transactions which do not meet the definition of Revenue or Expenses, such as increases in values of Property, Plant and Equipment where there is no inflow or outflow of resources are accounted for in Net Assets.

Operating Expenditure – Spending on the day to day expenses of the municipality such as salaries and wages.

Rates – Local government tax based on the assessed value of a property. To determine the rates payable, the assessed ratable value is multiplied by the rate in rand.

R&M – Repairs and maintenance on Property, Plant and Equipment.

SCM – Supply Chain Management.

SDBIP – Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

Strategic Objectives – The main priorities of the municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.

Unauthorized expenditure – Generally, spending without, or in excess of, an approved budget.

Virement – A transfer of budget.

Virement Policy – The policy that sets out the rules for budget transfers.



Vote – One of the main segments into which a budget is divided. In Swellendam Municipality this means at directorate level. The votes for Swellendam therefore are:

- Municipal Manager;
- Corporate Services;
- Financial Services;
- Engineers Services; and
- Community Services



Part 1 – Annual Budget

Section 1 – Mayor's Report

I wish to give a summary of what my intent was with the compiling process of the 2020/21 budget and what we as council envisage to achieve with it. Broadly, the following principles were followed:

Once again we are reminded that given on-going economic pressures, the revenue side of the municipal budget will continue to be constrained, so we will need to make some very tough decisions on the expenditure side of the budget.

Priority still needs to be given to:

- Ensuring that drinking water and waste water management meets the required quality standards at all times;
- Protecting the poor;
- Ensuring that *public investments, services, regulations and incentives* are focussed in defined spatial areas (spatial targeting) to optimise overall connectivity and access to opportunities;
- Providing clear signals to private sector;
- Transport, human settlements, bulk infrastructure, economic infrastructure, land use management (e.g. zoning), tax and subsidy incentives;
- Supporting meaningful local economic development (LED) initiatives that foster micro and small business opportunities and job creation, especially through the jobs fund project;
- Securing the health of the asset base (especially the municipality's revenue generating assets) by increasing spending on repairs and maintenance;
- Expediting spending on capital projects that are funded by conditional grants; and
- Implementing cost containment measures.

Furthermore we must also ensure that the capital budget reflects consistent efforts to address the backlogs in basic services and the renewal of the infrastructure of existing network services.



Section 2 - Council Resolutions

The Council of Swellendam Municipality, acting in terms of section 24 of the Municipal Financial Management Act, (Act 56 of 2003) approved and adopted the following resolutions:

The annual budget for the financial year 2020/21 contains multi-year and single-year capital appropriations as set out in the following tables:

- Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Section 4 of the annual budget report Table A2;
- Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Section 4 of the annual budget report Table A3;
- Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Section 4 of the annual budget report Table A4; and
- Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Section 4 of the annual budget report Table A5.

The annual budget as tabled for the financial year 2020/21 also contains the financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:

- Budgeted Financial Position as contained in Section 4 of the annual budget report Table A6;
- Budgeted Cash Flows as contained in Section 4 of the annual budget report Table A7;
- Cash backed reserves and accumulated surplus reconciliation as contained in Section 4 of the annual budget report Table A8;
- Asset management as contained in Section 4 of the annual budget report Table A9; and
- Basic service delivery measurement as contained in Section 4 of the annual budget report Table A10.

The proposed tariffs, charges and fees for 2020/21 for property rates; electricity services; water services; sanitation services; solid waste services and other services charges are set out in Annexure A.

Budget related policies

The contents of the annual budget is set out in section 17 of the MFMA. In terms of section 17(3)(e) of the MFMA the budget proposals must also contain proposed amendments to the budget related policies.

The following budget related policies currently exist and have been circulated by email to all councillors, as it is too costly to circulate printed copies:

- Customer care and debt collection policy
- Asset Management Policy
- Supply Chain Management Policy and Preferential Procurement
- Budget Policy
- Banking Cash Management and Investment Policy
- Tariff Policy



- Bad Debt Write-Off Policy
- Petty Cash Policy
- Irregular Expenditure Policy
- Funding and Reserve Policy
- Borrowing Policy
- Indigent Policy
- Rates Policy



Section 3 - Executive Summary

The application of sound financial management principles for the compilation of the municipality's financial plan is essential and critical to ensure that the municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

National Treasury's MFMA Circular No. 98, 99, 100 and Annexure to 99 were used to guide the compilation of the 2020/21 MTREF.

The following table is a consolidated overview of the proposed 2020/21 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview

	Adjustment Budget 2019/20 R'000	Original Budget 2020/21 R'000	% Change
Total Operating Revenue	312 341	313 792	0,5%
Total Operating Expenditure	314 210	322 891	2,8%
Surplus / (Deficit)	(1 869)	(9 099)	
Capital Expenditure	26 274	22 124	(15,8%)

The total operating revenue has increased by 0,5% in the 2020/21 financial year when compared to the 2019/20 adjustment budget, but on the other hand operating expenditure has increased by 2,8% in the 2020/21 financial year.

Total operating expenditure for the 2020/21 financial year has been appropriated at R322.891 million, resulting in an operating budgeted deficit of R9.099 million.

However, when the non-cash entries are deducted, a cash surplus of R0.85 million is realizing. Therefor the budget is cash funded.

The capital budget of R22.124 million for 2020/21 is 15,8% lower when compared to the 2019/20 adjustment budget. The capital budget will be funded from Conditional Grants as well as the Capital Replacement Fund. The Capital Replacement Fund will contribute R6 million of the capital expenditure. There is very little scope to accommodate an increase in the existing borrowing levels over the medium-term and for this reason the capital program as reflected in the IDP and consequently requested by the officials in the annual budget input process was absolutely cut to a level which is realistic and affordable.

3.1 Operating Revenue Framework

For Swellendam to improve the quality of services to its citizens, it needs to generate the required revenue to fund the costs of delivering the services as anticipated. In these tough economic times strong revenue management is fundamental to the financial sustainability of this municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices



has to be made in relation to tariff increases and balancing expenditures, such as employee cost against realistically anticipated revenues.

The following table is a summary of the 2020/21 MTREF (classified by main revenue source):

Table 2 - Summary of revenue classified by main revenue source

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue By Source											
Property rates	2	32 903	35 122	37 482	40 463	40 388	40 068	40 068	42 117	45 441	48 620
Service charges - electricity revenue	2	85 902	89 636	74 673	85 822	85 822	85 902	85 662	90 701	97 137	103 948
Service charges - water revenue	2	13 589	13 660	15 385	17 384	17 384	17 394	17 394	19 034	20 862	22 338
Service charges - sanitation revenue	2	12 442	13 430	14 335	14 782	15 193	15 198	16 168	18 187	18 787	20 125
Service charges - refuse revenue	2	7 521	8 068	8 514	8 473	8 789	8 789	8 789	10 416	12 427	14 336
Rental of facilities and equipment		1 387	673	742	621	691	691	691	732	778	823
Interest earned - external investments		3 535	4 164	5 033	4 169	4 993	4 996	4 996	4 715	5 475	5 749
Interest earned - outstanding debtors		1 729	1 261	961	1 112	1 280	1 200	1 200	1 260	1 323	1 389
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		33 148	37 583	42 368	48 514	45 514	45 514	45 514	47 355	48 308	49 574
Licences and permits		840	1 270	1 451	1 365	1 372	1 372	1 372	1 440	1 513	1 589
Agency services		1 614	1 854	2 102	1 917	1 983	1 980	1 980	2 182	2 291	2 405
Transfers and subsidies		35 095	40 287	38 066	52 435	62 465	62 465	62 465	55 272	49 878	71 679
Other revenue	2	5 153	3 228	3 072	4 064	4 174	4 174	4 174	3 559	3 176	3 383
Gains		1 638	-	19	1 000	1 000	1 000	1 000	1 500	1 000	1 000
Total Revenue (excluding capital transfers and contributions)		218 582	233 189	246 251	281 932	291 404	291 404	291 404	287 888	308 964	347 211

Revenue generated from rates and service charges forms a significant percentage of the revenue basket of the municipality. Rates and service charge revenues comprise 60,62% of the total revenue mix. The percentage revenue generated from rates and service charges in comparison with total revenue is largely due to the share that the sale of electricity contributes to the total revenue mix. This also clearly indicated that the municipality's revenue base is very dependent on the sale of electricity and thus any external decision impacts it, influencing the revenue in particular and the entire total budget. This electricity sensitivity is not healthy for the municipality and could have a severe impact if this important revenue resource is threatened by external factors and/or if it is to be withdrawn as a critical function from municipalities. The above table includes revenue foregone and tax rebates arising from discounts and rebates associated with the tariff policies of the municipality, as the revenue indicated reflects net figures.

Operating grants and transfers represent R55.272 million in the 2020/21 financial year. This amount and the amounts for the outer years are minimum guaranteed transfers from national government as gazette in the latest DORA. The aforementioned amount has a direct link to expenditure on operational grants and is only recognized as revenue when the conditions of the transfers made has been met. It might differ from the grants received.

The following table gives a breakdown of the various capital grants and subsidies allocated to the municipality over the medium term as proclaimed in the government gazette:



Table 3 Operating Transfers and Grant Receipts

WC034 Swellendam - Supporting Table SA18 Transfers and grant receipts									
R thousand	2016/17 Audited Outcome	2017/18 Audited Outcome	2018/19 Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
RECEIPTS:									
Operating Transfers and Grants									
1.2									
National Government:									
Local Government Equitable Share	27 937	29 695	34 134	37 429	37 429	37 429	40 630	41 639	44 354
Expanded public works programme (legacy grant) municipalities	24 012	28 201	28 001	31 575	31 575	31 575	34 118	37 037	39 681
Municipal Infrastructure Grant	1 177	1 201	1 208	1 894	1 894	1 894	1 894	2 179	2 269
Integrated National Electrification Programme (legacy grant)	670	564	2 084	2 076	2 076	2 076	2 076	2 076	2 076
Local Government Financial Management Grant	1 035	1 700	1 770	1 770	1 770	1 770	1 770	1 770	1 770
Municipal Systems Improvement	394	-	-	-	-	-	-	391	-
Energy Efficiency and Demand Side Management Grant	-	-	-	-	-	-	-	-	-
Provincial Government:									
Local Government Infrastructure Grant	6 479	16 569	7 211	15 015	23 088	23 088	19 292	8 257	27 624
Western Cape Financial Management Capacity Grant	-	43	-	379	379	379	400	-	-
Western Cape Financial Management Support Grant	-	359	301	380	380	380	380	-	-
Financial assistance to municipalities for maintenance and construction of transport infrastructure	-	50	46	50	50	50	50	60	60
SETA	271	399	217	-	236	236	-	-	-
Tourism	-	-	-	100	100	100	-	-	-
Maintenance of Water Supply Infrastructure	-	-	38	1 000	1 000	1 000	-	-	-
Municipal Electrical Works Plan Grant	-	-	-	381	381	381	-	-	-
Human Settlement Development (Benchmarks)	-	-	1 322	7 400	522	522	522	-	-
Development of Sports and Recreation Facilities	1 269	5 027	-	22	15 007	15 007	8 300	1 800	91 680
Training and Skills Development Grant	-	22	29	-	-	-	-	150	-
Library Services Grant	-	4 429	4 461	5 443	5 443	5 443	5 017	5 117	8 474
Finance Management	702	-	8	-	-	-	-	-	-
Interlinking Grant	-	40	-	-	-	-	-	-	-
WESSGRO	50	110	-	-	-	-	-	-	-
Graduate Grant	16	-	-	-	-	-	-	-	-
Municipal Drought Relief Grant	-	-	-	-	-	-	-	-	-
Local Government Support Grant	-	-	-	-	-	-	-	-	-
District Municipality:									
(poor description)	-	-	-	-	-	-	-	-	-
Other grant providers:									
(poor description)	-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	34 910	40 287	41 347	82 436	89 608	89 608	66 672	49 876	71 878
Capital Transfers and Grants									
5									
National Government:									
Integrated Infrastructure Grant	12 644	17 469	14 610	12 470	12 470	12 470	11 899	14 700	13 892
Integrated National Electrification Programme (legacy grant)	1 142	11 061	1 801	1 801	1 801	1 801	1 801	10 253	10 253
Human Settlement Development	1 662	2 218	1 945	2 609	2 609	2 609	1 739	1 739	2 409
Community Library Services Grant	-	-	-	-	-	-	-	-	-
Development of Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-
WESSGRO	-	-	-	-	-	-	-	-	-
Maintenance of Water Supply Infrastructure	-	-	-	-	-	-	-	-	-
Energy Efficiency and Demand Side Management Grant	-	-	-	-	-	-	-	-	-
Provincial Government:									
Human Settlement Development	-	82	253	2 752	3 622	3 622	4 940	-	-
Community Library Services Grant	-	-	-	2 609	3 476	3 476	3 476	-	-
Development of Sport and Recreation Facilities	-	-	-	143	143	143	-	-	-
WESSGRO	-	89	-	-	-	-	-	-	-
Maintenance of Water Supply Infrastructure	-	-	964	-	-	-	-	-	-
Municipal Drought Relief Grant	-	-	-	-	-	-	1 087	-	-
District Municipality:									
(poor description)	-	-	-	-	-	-	-	-	-
Other grant providers:									
(poor description)	-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	12 644	17 494	11 862	16 222	16 091	16 091	16 124	14 700	13 952
TOTAL RECEIPTS OF TRANSFERS & GRANTS	46 650	57 779	53 210	98 658	105 699	105 699	82 796	64 576	85 830



Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the municipality.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the upper limit (ceiling) of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilized for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity, petrol, diesel, chemicals, cement etc. For this reason the existing and prescribed inflation rate of $\pm 4,5\%$.

Municipalities have to review the level and structure of their water and sanitation tariffs carefully with a view to ensure that water and sanitation tariffs are on aggregate fully cost-reflective – inclusive of bulk cost of water, the cost of maintenance and renewal of purification/treatment plants and network infrastructure and the cost of new infrastructure. Water and sanitation tariffs must also be structured to protect basic levels of service and water and sanitation tariffs are designed to encourage efficient and sustainable consumption (e.g. through inclining block tariffs).

The lifespan of the dumping site has come to its end. The municipality have limited choices as to the operations of refuse removal going forward. The only viable and sensible solution, is to make use of the Overberg Districts Municipality's dumping site at Karwyderskraal near Hermanus, which is around 140km's from Swellendam. The cost implication is calculated at about R5 million. The tender with regards to the transport cost has not been finalised and the total cost implication will be subjected to the outcome of the tender process. This results in an increased deficit on the refuse removal stream of R6 million (prior year – R1 million). It is for this reason that a more than normal tariff increase was applied this year and will have the same effect on the years to come.

The proposed tariff increases are set at:

- Property rates - 7 %
- Electricity - 6,24% (to be finalised by NERSA)
- Water (units) - 8%
- Refuse Removal - 15%
- Sewerage - 5%

Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increases on income range middle and affordable households, as well as on indigent households receiving free basic services.



Table 5- Household bills

1. Use as basis property value of R700 000, 1 000 kWh electricity and 30kl water

WC034 Swellendam - Supporting Table SA14 Household bills		Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework			
		2018/17	2017/18	2018/19		Full Year Forecast	Budget Year 2020/21 % incr.	Budget Year 2021/22	Budget Year +2 2022/23
Description	Ref	Audited Outcome	Audited Outcome	Audited Outcome					
Randicant									
Monthly Account for Household - Middle Income Range	1								
Rates and services charges:									
Property rates		506,80	555,06	451,53		480,57	7,0%	550,20	588,72
Electricity Basic levy		140,00	142,00	150,00		160,50	6,9%	183,58	196,44
Electricity Consumption		1 435,70	1 491,00	1 588,90		1 796,57	6,9%	2 054,97	2 198,82
Water Basic levy		48,36	84,00	71,68		80,28	12,0%	96,21	102,94
Water Consumption		247,36	252,32	287,28		306,43	5,0%	354,11	378,90
Sanitation		218,57	236,06	252,80		270,26	5,0%	303,64	324,89
Refuse removal		110,56	119,40	128,96		140,56	15,0%	161,64	213,77
Other									
sub-total		2 707,45	2 859,84	2 931,15		3 235,17	7,3%	3 728,60	4 004,48
VAT on Services		326,27	341,28	352,94		427,22	3,9%	474,82	508,06
Total large household bill:		3 033,72	3 201,12	3 334,09		3 662,39	6,9%	4 203,42	4 512,54
% increase/decrease			5,5%	3,8%		-		7,3%	7,5%

2. Use as basis property value of R500 000, 500 kWh electricity and 25kl water

WC034 Swellendam - Supporting Table SA14 Household bills		Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework			
		2018/17	2017/18	2018/19		Full Year Forecast	Budget Year 2020/21 % incr.	Budget Year 2021/22	Budget Year +2 2022/23
Description	Ref	Audited Outcome	Audited Outcome	Audited Outcome					
Randicant									
Monthly Account for Household - Affordable Range	2								
Rates and services charges:									
Property rates		353,90	383,00	319,70		340,25	7,0%	389,55	416,82
Electricity Basic levy		90,00	91,50	95,10		101,76	6,9%	116,40	124,54
Electricity Consumption		572,50	612,60	625,80		711,89	6,9%	814,28	871,28
Water Basic levy		48,36	84,00	71,68		80,28	12,0%	96,21	102,94
Water Consumption		192,66	196,52	230,38		244,95	8,0%	283,05	302,89
Sanitation		218,57	236,06	252,80		270,26	5,0%	303,64	324,89
Refuse removal		110,56	119,40	128,96		140,56	15,0%	161,64	213,77
Other									
sub-total		1 591,55	1 713,08	1 724,22		1 889,96	7,6%	2 033,75	2 357,13
VAT on Services		172,57	184,81	211,28		225,26	9,2%	250,45	286,74
Total small household bill:		1 764,12	1 897,89	1 935,50		2 115,22	7,8%	2 284,20	2 643,87
% increase/decrease			7,8%	2,2%		-		7,8%	7,8%

WC034 Swellendam - Supporting Table SA14 Household bills

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20		2020/21 Medium Term Revenue & Expenditure Framework				
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21 % Incr.	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Randicent	3										
Monthly Account for Household - 'Indigent' Household receiving free basic services											
Rates and services charges:											
Property rates		-	-	-	-	-	-	-	-	-	-
Electricity: Basic levy		-	-	-	-	-	-	-	-	-	-
Electricity: Consumption		315.00	327.00	348.00	393.48	393.48	393.48	6.9%	420.63	460.07	491.58
Water: Basic levy		-	-	-	-	-	-	-	-	-	-
Water: Consumption		137.96	138.78	141.56	151.09	151.09	151.09	8.0%	163.18	174.80	186.82
Sanitation		-	-	-	-	-	-	-	-	-	-
Rubbish removal		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
Sub-total		452.96	465.78	489.56	544.57	544.57	544.57	7.2%	583.81	624.67	663.40
VAT on Services		63.41	65.21	79.43	80.61	80.61	80.61	8.6%	87.57	93.70	100.26
Total small household bill:		516.37	530.99	562.99	625.18	625.18	625.18	7.4%	671.38	718.37	763.66
% increase/decrease			2.8%	6.0%	11.0%	-	-	7.4%	7.0%	7.0%	7.0%



From the above tables it is evident that the total average increase in the monthly accounts will be:

- | | |
|------------------------|----------------|
| 1. Middle income range | 6,9% per month |
| 2. Affordable range | 7,8% per month |
| 3. Indigent range | 7,4% per month |

Income forgone (Free Basic Services and other rebates)

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. Rebates and exemptions in terms of section 15 of the Municipal Property Rates Act (No. 6 of 2004) are applicable to those who qualify for it in terms of the act.

Currently all residential households received 20kWh electricity as free basic services. In 2020/21 only residential households qualified as indigents will receive 6kl water and 50kWh electricity as free basis services.

To receive these rebates and free services the households are required to register in terms of the Municipality's Indigent Policy.

At present there are 1 939 indigent households and 320 poor households which are entitled to rebates and subsidies as defined and set out in the Councils Credit Control Policy.

The total cost of the social package in respect of the income forgone on free services is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act. The rebates on the tax are largely discounted as a direct cost.

3.2 Operating Expenditure Framework

The following table is a high level summary of the 2020/21 budget and MTREF (classified per main type of operating expenditure):



Table 6 - Summary of operating expenditure by standard classification item

WC034 Swellendam - Table AA Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2018/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand	1										
Expenditure By Type											
Employee related costs	2	75 140	80 915	85 684	130 348	108 735	108 735	108 735	115 621	121 057	123 348
Remuneration of councillors		4 329	4 954	5 103	5 994	5 637	5 637	5 637	5 638	6 033	6 455
Debt impairment	3	22 619	34 772	35 352	34 230	36 921	36 921	36 921	36 921	36 921	36 921
Depreciation & asset impairment	2	9 285	7 474	9 001	9 329	10 369	10 369	10 369	11 419	11 577	11 978
Finance charges		9 145	6 636	5 001	9 525	6 525	6 525	6 525	6 097	5 901	5 758
Bulk purchases	2	58 442	51 932	55 616	67 285	67 286	67 286	67 286	72 733	77 840	83 671
Other materials	8	-	17 470	20 474	21 577	14 437	14 437	14 437	13 332	14 932	15 806
Contracted services		-	13 794	13 207	24 083	33 795	33 795	33 795	35 796	34 494	51 106
Transfers and subsidies		1 484	1 297	1 700	2 582	390	390	390	590	274	309
Other expenditure	4,5	45 506	19 178	12 939	16 567	24 125	24 125	24 125	25 213	28 728	26 345
Losses		2	345	-	-	-	-	-	-	-	-
Total Expenditure		216 005	228 345	245 638	299 057	314 210	314 210	314 210	322 891	331 625	339 793

The budgeted allocation for employee related costs (including remuneration of councillors) for the 2020/21 financial year totals to R121.26 million, which represents 37,56% of the total expenditure budget. Salary increases have been factored into this budget at a percentage increase of 6.25% for the 2020/21 financial year.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (No. 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the municipality's budget.

The provision for debt impairment was determined based on an annual collection rate of 98%. The previous financial year the collection rate was over 100% and currently for this financial year it is 96,51%.

Provision for depreciation and asset impairment has been informed by the asset register and proposed capital budget. Depreciation is widely considered a proxy for the measurement of the rate of asset consumption. Budget appropriations in this regard total to R11.419 million for the 2020/21 financial year and represent 3,54% of the total operating expenditure.

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges - representing 1,89% (R6.097 million) of operating expenditure, excluding annual redemption for 2020/21.

Bulk purchases are directly influenced by the purchase of electricity from Eskom. The annual price increases of 8,1% have been factored into the budget appropriations and directly impacting the revenue provisions. The expenditure includes distribution losses. Bulk purchases represent 22.53% (R72.733 million) of operating expenditure for the 2020/21 financial year.

Other materials represent 4,13% (R13.332 million) of operating expenditure for the 2020/21 financial year.



Contracted services represent 11,08% (R35.756 million) of operating expenditure for the 2020/21 financial year.

Transfers and subsidies represent 0,05% (R0.16 million) of operating expenditure for the 2020/21 financial year.

Other expenditure comprises of various line items relating to the daily operations of the municipality; as example the operational expenditure on grants and subsidies, repairs and maintenance and other services. Growth on line items other than those linked to grant expenditure has been limited. Further details relating to other expenditure can be seen in Table SA1.

Repairs and maintenance

In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance are not considered a direct expenditure driver, but rather an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. At current the municipality cannot report on the outcome of the different cost drivers combined to repairs and maintenance. The table below provides a breakdown of the repairs and maintenance in relation to asset class and reflects only purchases of materials and some contracted services.



Table 7 - Repairs and maintenance per asset class

WC034 Swellendam - Supporting Table SA34c Repairs and maintenance expenditure by asset class										
Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		5 734	8 893	7 828	10 251	10 952	10 952	15 180	16 430	17 246
Roads Infrastructure		1 888	2 211	2 693	2 876	3 458	3 458	3 294	3 718	3 901
Roads		1 888	73	2 484	2 659	3 172	3 172	2 955	3 402	3 659
Road Structures		-	1 874	-	-	-	-	-	-	-
Road Furniture		-	264	208	218	286	286	301	316	331
Capital Spares		-	-	-	-	-	-	-	-	-
Stormwater Infrastructure		-	663	404	703	632	632	664	697	732
Drainage Collection		-	-	-	703	632	632	664	697	732
Stormwater Conveyance		-	663	404	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		1 395	1 291	1 403	1 739	1 753	1 753	1 703	1 946	2 043
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		1 275	1 284	1 376	1 625	1 614	1 614	1 544	1 779	1 868
MV Substations		-	-	-	5	5	5	8	6	6
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	-	-	-	-	-	-	-	-
LV Networks		120	7	27	105	135	135	153	161	169
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		818	2 310	1 008	1 142	1 354	1 354	1 421	1 492	1 567
Dams and Weirs		-	10	4	93	89	89	93	98	103
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		578	674	711	767	902	902	947	994	1 044
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		242	1 583	291	282	353	353	381	400	430
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		-	43	-	-	-	-	-	-	-
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		503	1 100	950	1 385	1 444	1 444	1 367	1 692	1 872
Pump Station		-	-	-	-	-	-	-	-	-
Relocation		308	393	-	-	-	-	-	-	-
Waste Water Treatment Works		275	807	950	1 385	1 444	1 444	1 367	1 692	1 872
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		1 060	1 066	1 310	2 408	2 309	2 309	6 552	6 984	7 334
Landfill Sites		1 060	1 066	1 310	2 408	2 309	2 309	6 552	6 984	7 334
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Stormwater Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sea Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-
Cable Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-



WC034 Swellendam - Supporting Table SA34c Repairs and maintenance expenditure by asset class										
Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Community Assets		986	1 578	1 197	1 581	1 478	1 473	1 429	1 685	1 680
Community Facilities		758	1 247	853	953	821	821	845	1 056	847
Halls		146	215	8	142	117	117	123	129	135
Centres		-	-	7	32	122	122	128	135	44
Choirs		-	-	-	-	-	-	-	-	-
Child/Carer Centres		-	-	-	-	-	-	-	-	-
Fire/Incubator Stations		128	181	-	-	-	-	-	-	-
Testing Stations		-	-	-	-	-	-	-	-	-
Museums		-	-	-	-	-	-	-	-	-
Galleries		-	-	-	-	-	-	-	-	-
Theatres		-	-	-	-	-	-	-	-	-
Libraries		153	283	54	54	123	121	129	138	142
Cemeteries/Crematoria		78	118	79	127	110	110	115	121	127
Police		-	-	-	-	-	-	-	-	-
Ports		251	-	505	498	430	451	452	475	458
Public Open Space		-	472	-	-	-	-	-	-	-
Nature Reserves		-	-	-	-	-	-	-	-	-
Public Amenity Facilities		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Stalls		-	-	-	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Airports		-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		290	328	543	598	557	557	464	613	644
Indoor Facilities		-	-	-	-	-	-	-	-	-
Outdoor Facilities		290	328	543	598	557	557	464	613	644
Capital Spares		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Monuments		-	-	-	-	-	-	-	-	-
Historic Buildings		-	-	-	-	-	-	-	-	-
Works of Art		-	-	-	-	-	-	-	-	-
Conservation Areas		-	-	-	-	-	-	-	-	-
Other Heritage		-	-	-	-	-	-	-	-	-
Investment properties		-	188	174	303	286	286	301	316	331
Revenue Generating		-	156	-	-	-	-	-	-	-
Improved Property		-	-	-	-	-	-	-	-	-
Unimproved Property		-	156	-	-	-	-	-	-	-
Non-revenue Generating		-	-	174	303	286	286	301	316	331
Improved Property		-	-	-	-	-	-	-	-	-
Unimproved Property		-	-	174	303	286	286	301	316	331



WC034 Swellendam - Supporting Table SA34c Repairs and maintenance expenditure by asset class

WC034 Swellendam - Supporting Table SA34c Repairs and maintenance expenditure by asset class										
Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Other assets		971	526	360	622	525	525	516	578	607
Operational Buildings		971	526	360	622	525	525	510	578	607
Municipal Offices		971	506	353	611	517	517	491	569	597
Pay/Enquiry Points		-	-	-	-	-	-	-	-	-
Building Plan Offices		-	-	-	-	-	-	-	-	-
Workshops		-	-	-	-	-	-	-	-	-
Yards		-	-	-	-	-	-	-	-	-
Stores		-	20	7	10	8	8	9	9	10
Laboratories		-	-	-	-	-	-	-	-	-
Training Centres		-	-	-	-	-	-	-	-	-
Manufacturing Plant		-	-	-	-	-	-	-	-	-
Depots		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Staff Housing		-	-	-	-	-	-	-	-	-
Social Housing		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Services		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Water Rights		-	-	-	-	-	-	-	-	-
Effluent Licences		-	-	-	-	-	-	-	-	-
Solid Waste Licences		-	-	-	-	-	-	-	-	-
Computer Software and Applications		-	-	-	-	-	-	-	-	-
Local Settlement Software Applications		-	-	-	-	-	-	-	-	-
Unspecified		-	-	-	-	-	-	-	-	-
Computer Equipment		1 788	2 500	2 624	3 421	1 283	1 283	690	1 022	1 114
Computer Equipment		1 788	2 500	2 624	3 421	1 283	1 283	690	1 022	1 114
Furniture and Office Equipment		74	89	7	65	90	90	129	136	143
Furniture and Office Equipment		74	89	7	65	90	90	129	136	143
Machinery and Equipment		462	541	3 426	4 292	4 448	4 446	4 651	5 028	5 322
Machinery and Equipment		462	541	3 426	4 292	4 448	4 446	4 651	5 028	5 322
Transport Assets		2 711	2 536	-	6	3	3	4	4	4
Transport Assets		2 711	2 536	-	6	3	3	4	4	4
Land		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	1	12 737	16 656	15 596	21 541	19 063	19 063	23 603	25 162	26 359
R&M as a % of PPE		4,6%	5,7%	5,0%	6,5%	5,8%	5,8%	7,0%	7,4%	7,6%
R&M as % Operating Expenditure		5,9%	7,0%	6,2%	6,5%	6,1%	6,1%	7,2%	7,6%	7,9%

For the 2020/21 financial year repairs and maintenance forms part of 7,3% of the total expenditure.



Table 8 - Grants made by the municipality

WC034 Swellendam - Supporting Table SA21 Transfers and grants made by the municipality										2020/21 Medium Term Revenue & Expenditure Framework								
R thousand	Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework								
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23						
Cash Transfers to other municipalities Overberg Fire Services contribution Provincial Government	1		-	-	-	650	-	-	-	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Municipalities: 650 - - - - - - - - - -																		
Cash Transfers to Entities/Other External Mechanisms Third party institutions Cycling Institution	2		-	-	179	260	260	260	260	260	260	260	260	260	260	260	260	260
			-	-	-	-	100	100	100	100	100	100	100	100	100	100	100	100
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Entities/Eme' 179 260 360 360 360 360 360 360 360 360 360 360 360 360 360 360 360 360 360																		
Cash Transfers to other Organs of State Provincial Government	3		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Other Organs Of State: - - - - - - - - - -																		
Cash Transfers to Organisations Third party institutions Cycling institution SWELLENDAM TOURIST ORGANISATION BYDRAE-LOWER BREEDE RIVER COMS. Donase			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
			1 164	967	1 191	1 262	1 262	1 262	1 262	1 262	1 262	1 262	1 262	1 262	1 262	1 262	1 262	1 262
			320	330	330	330	330	330	330	330	330	330	330	330	330	330	330	330
			1 484	1 297	1 521	1 592	1 592	1 592	1 592	1 592	1 592	1 592	1 592	1 592	1 592	1 592	1 592	1 592
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Organisations 1 484 1 297 1 521 1 592 1 592 1 592 1 592 1 592 1 592 1 592 1 592 1 592 1 592 1 592 1 592 1 592 1 592																		
Cash Transfers to Groups of Individuals Insert description			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Groups Of Individuals: - - - - - - - - - -																		
TOTAL CASH TRANSFERS AND GRANTS 6 1 484 1 297 1 700 2 502 360 360 360 360 360 360 360 360 360 360 360 360 360 360																		
Non-Cash Transfers to other municipalities																		
Total Non-Cash Grants To Groups Of Individuals: - - - - - - - - - -																		
TOTAL NON-CASH TRANSFERS AND GRANTS - - - - - - - - - -																		
TOTAL TRANSFERS AND GRANTS 6 1 484 1 297 1 700 2 502 360 360 360 360 360 360 360 360 360 360 360 360 360																		

For the 2020/21 financial year Cash transfers to organisations will amount to R0.16 million.



3.3 Capital expenditure

The table below provides a breakdown of budgeted capital expenditure by vote.

Table 9 - Capital budget per vote

WC034 Swellendam - Supporting Table SA35 Future financial implications of the capital budget

Vote Description	Ref	2020/21 Medium Term Revenue & Expenditure Framework		
		Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand				
Capital expenditure	1			
Vote 1 - Municipal Manager		38	-	-
Vote 2 - Corporate Services		163	265	80
Vote 3 - Financial Services		1 180	1 740	1 550
Vote 4 - Engineers Services		15 596	17 102	15 672
Vote 5 - Community Services		4 904	93	550
Vote 6 - Community Services Continued		244	-	-
Total Capital Expenditure		22 124	19 200	17 852
Net Financial Implications		22 124	19 200	17 852

The table below provides a breakdown of budgeted capital expenditure per asset class.



Table 10 - Capital budget per asset class

WC034 Swellendam - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		10 296	12 331	8 813	3 333	3 336	3 335	1 767	1 933	210
Roads Infrastructure		4 245	7 334	7 163	-	-	-	400	293	210
Roads		4 245	7 334	7 163	-	-	-	-	-	-
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Stormwater Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		233	281	1 733	3 435	2 809	2 823	-	1 733	-
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductor		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	-	-	-	-	-	-	-	-
LV Networks		233	281	1 733	3 435	2 809	2 823	-	1 733	-
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		315	4 737	-	550	837	837	1 367	-	-
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reticulation		315	4 737	-	-	-	-	-	-	-
Pump Stations		-	-	-	550	837	837	200	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-
Shed Works		-	-	-	-	-	-	-	-	-
Distribution		-	-	-	-	-	-	-	-	-
Distribution Points		-	-	-	-	-	-	-	-	-
PPV Stations		-	-	-	-	-	-	1 067	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sewerage Infrastructure		-	512	11	-	-	-	-	-	-
Pump Station		-	-	-	-	-	-	-	-	-
Relocation		-	-	-	-	-	-	-	-	-
Waste Water Treatment Works		-	512	-	-	-	-	-	-	-
Outfall Sewers		-	-	-	-	-	-	-	-	-
Tank Facilities		-	-	11	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		4 801	5	-	-	-	-	-	-	-
Landfills		4 801	5	-	-	-	-	-	-	-
Waste Transfer Station		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sea Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Protections		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-
Cable Layout		-	-	-	-	-	-	-	-	-
Distribution Layout		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-



WC034 Swellendam - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Community Assets		3 786	4 364	-	2 922	3 792	3 792	4 198	50	58
Community Facilities		1 255	657	-	2 922	3 792	3 792	4 158	50	52
Halls		56	-	-	-	-	-	40	-	-
Centres		-	657	-	-	-	-	10	-	-
Crèches		-	-	-	-	-	-	-	-	-
Clinics/Care Centres		-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations		-	-	-	-	-	-	-	-	-
Testing Stations		-	-	-	-	-	-	-	-	-
Museums		-	-	-	-	-	-	-	-	-
Galleries		-	-	-	-	-	-	-	-	-
Theatres		-	-	-	-	-	-	-	-	-
Libraries		1 048	-	-	2 808	3 478	3 478	3 478	-	-
Cemeteries/Crematoria		-	-	-	120	120	120	-	-	-
Police		-	-	-	-	-	-	-	-	-
Prisons		151	-	-	193	193	193	635	50	50
Public Open Space		-	-	-	-	-	-	-	-	-
Nature Reserves		-	-	-	-	-	-	-	-	-
Public Abolition Facilities		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Stalls		-	-	-	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Airports		-	-	-	-	-	-	-	-	-
Taxi/Rentals/Bus Terminals		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		2 533	3 707	-	-	-	-	40	-	-
Indoor Facilities		-	-	-	-	-	-	-	-	-
Outdoor Facilities		2 533	3 707	-	-	-	-	40	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Monuments		-	-	-	-	-	-	-	-	-
Historic Buildings		-	-	-	-	-	-	-	-	-
Works of Art		-	-	-	-	-	-	-	-	-
Conservation Areas		-	-	-	-	-	-	-	-	-
Other Heritage		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property		-	-	-	-	-	-	-	-	-
Unimproved Property		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property		-	-	-	-	-	-	-	-	-
Unimproved Property		-	-	-	-	-	-	-	-	-
Other assets		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Municipal Offices		-	-	-	-	-	-	-	-	-
Pay/Enquiry Points		-	-	-	-	-	-	-	-	-
Building Plan Offices		-	-	-	-	-	-	-	-	-
Workshops		-	-	-	-	-	-	-	-	-
Yards		-	-	-	-	-	-	-	-	-
Stores		-	-	-	-	-	-	-	-	-
Laboratories		-	-	-	-	-	-	-	-	-
Training Centres		-	-	-	-	-	-	-	-	-
Manufacturing Plant		-	-	-	-	-	-	-	-	-
Depots		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-



WC034 Swellendam - Supporting Table SA34a Capital expenditure on new assets by asset class

Description		Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Capital expenditure on new assets by Asset Class/Sub-class											
Housing			-	-	-	-	-	-	-	-	-
Staff Housing			-	-	-	-	-	-	-	-	-
Social Housing			-	-	-	-	-	-	-	-	-
Capital Spares			-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets			-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets			-	-	-	-	-	-	-	-	-
Intangible Assets			12	73	293	-	-	-	-	-	-
Servitudes			-	-	-	-	-	-	-	-	-
Licences and Rights			12	73	293	-	-	-	-	-	-
Water Rights			-	-	-	-	-	-	-	-	-
Effluent Licences			-	-	-	-	-	-	-	-	-
Solid Waste Licences			-	-	-	-	-	-	-	-	-
Computer Software and Applications			12	73	293	-	-	-	-	-	-
Local Government Software Applications			-	-	-	-	-	-	-	-	-
Unspecified			-	-	-	-	-	-	-	-	-
Computer Equipment			-	-	-	800	800	800	1 013	1 420	1 400
Computer Equipment			-	-	-	800	800	800	1 013	1 420	1 400
Furniture and Office Equipment			303	2 043	217	237	223	229	224	415	230
Furniture and Office Equipment			303	2 043	217	237	223	229	224	415	230
Machinery and Equipment			406	543	2 160	186	673	673	941	323	300
Machinery and Equipment			406	543	2 160	186	673	673	941	323	300
Transport Assets			-	934	852	-	302	300	1 022	1 122	1 450
Transport Assets			-	934	852	-	302	300	1 022	1 122	1 450
Land			71	-	4 446	-	4 446	4 446	-	-	-
Land			71	-	4 446	-	4 446	4 446	-	-	-
Zoo's, Marine and Non-biological Animals			-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals			-	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets		1	14 876	28 933	16 965	8 113	13 545	13 545	8 143	5 239	3 640

For 2020/21 an amount of R14.166 million has been appropriated for the development of infrastructure which represents 64,03% of the total capital budget.

Further detail relating to asset classes and proposed capital expenditure is contained in Table A9 (Asset Management) whilst Tables SA34a, SA34b, SA34c and SA34d provides a detailed breakdown of the capital program relating to new asset construction, capital asset renewal, operational repairs and maintenance and depreciation charges by asset class.



The table below provides a breakdown of budgeted capital expenditure by funding source.

Table 11 – Budgeted Capital Expenditure by funding source

WC034 Swellendam - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Funded by:											
National Government		12 644	12 654	11 550	12 470	12 470	12 470	12 470	11 559	14 700	13 362
Provincial Government		1 939	4 364	-	2 752	8 467	8 467	8 467	4 585	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	14 242	17 017	11 550	15 222	28 937	28 937	28 937	16 124	14 700	13 352
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		534	3 845	5 436	5 337	5 337	5 337	5 337	5 020	4 500	4 500
Total Capital Funding	7	14 876	20 863	16 986	20 559	26 274	26 274	26 274	22 124	19 200	17 852



Section 4 - Annual Budget Tables

Section 4 presents the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2020/21 budget and MTREF as tabled to council. Each table is accompanied by *explanatory notes* on the facing page.



Table A1 - Budget Summary

WC034 Swellendam - Table A1 Budget Summary

Description	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Financial Performance										
Property rates	32 883	35 122	37 492	40 488	40 088	40 088	40 088	42 117	45 440	48 620
Service charges	100 364	104 716	113 114	125 282	126 013	126 013	126 013	136 339	149 183	160 750
Investment revenue	3 536	4 184	5 033	4 166	4 966	4 966	4 966	4 715	5 475	5 746
Transfers recognised - operational	35 095	40 287	39 899	52 435	62 406	62 406	62 406	55 272	49 879	71 878
Other own revenue	44 354	45 859	50 733	56 581	55 531	55 531	55 531	57 226	53 393	60 164
	216 332	230 168	246 231	281 952	291 404	291 404	291 404	257 668	303 364	347 711
Total Revenue (excluding capital transfers and contributions)										
Employee costs	75 140	80 816	83 924	106 348	108 735	108 735	108 735	115 621	121 097	129 346
Remuneration of councillors	4 379	4 954	5 103	5 594	5 637	5 637	5 637	5 838	6 033	6 455
Depreciation & asset impairment	9 285	7 474	9 901	9 329	10 389	10 389	10 389	11 419	11 577	11 578
Finance charges	9 145	6 836	5 901	6 525	6 525	6 525	6 525	6 097	5 921	5 758
Materials and bulk purchases	50 440	69 072	76 150	88 863	81 723	81 723	81 723	86 065	92 840	99 567
Transfers and grants	1 484	1 297	1 705	2 502	360	360	360	100	274	269
Other expenditure	66 129	67 696	81 478	77 656	100 841	100 841	100 841	97 690	84 144	116 375
	216 066	239 345	245 638	299 057	314 210	314 210	314 210	322 691	331 825	360 768
Total Expenditure										
Surplus/(Deficit)	546	(8 177)	593	(17 105)	(22 806)	(22 806)	(22 806)	(25 223)	(28 461)	(22 567)
Transfers and subsidies - capital/(monetary allocations) (National/Provincial and District)	14 242	17 491	13 350	15 222	20 937	20 937	20 937	16 124	14 700	13 362
Transfers and subsidies - capital/(monetary allocations) (National/Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind)	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions	14 789	9 314	13 944	(1 900)	(1 869)	(1 869)	(1 869)	(9 099)	(8 561)	(9 205)
Share of surplus/(deficit) of associate	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) for the year	14 789	9 314	13 944	(1 900)	(1 869)	(1 869)	(1 869)	(9 099)	(8 561)	(9 205)
Capital expenditure & funds sources										
Capital expenditure	14 876	20 693	16 885	20 599	24 274	24 274	24 274	22 124	19 200	17 892
Transfers recognised - capital	14 242	17 017	11 550	15 222	20 937	20 937	20 937	16 124	14 700	13 362
Borrowing	—	—	—	—	—	—	—	—	—	—
Internally generated funds	634	3 845	5 435	5 337	5 337	5 337	5 337	6 000	4 500	4 933
Total sources of capital funds	14 876	20 693	16 885	20 599	24 274	24 274	24 274	22 124	19 200	17 892
Financial position										
Total current assets	96 672	95 093	101 821	99 639	80 231	80 231	80 231	72 135	59 258	49 812
Total non-current assets	306 666	322 302	331 502	346 405	347 787	347 787	347 787	358 445	366 088	371 962
Total current liabilities	63 682	61 803	46 074	57 385	49 099	49 099	49 099	52 778	53 148	55 918
Total non-current liabilities	63 632	66 663	57 935	61 541	92 193	92 193	92 193	102 403	105 340	103 303
Community wealth/Equity	264 614	269 528	287 685	267 518	289 815	289 815	289 815	275 420	296 658	297 693
Cash flows										
Net cash from/(used) operating	31 487	25 917	27 758	12 110	16 513	16 513	16 513	10 395	11 750	11 894
Net cash from/(used) investing	(13 243)	(19 341)	(16 437)	(19 589)	(20 274)	(20 274)	(20 274)	(20 824)	(16 200)	(16 902)
Net cash from/(used) financing	(2 921)	(1 571)	(2 813)	(3 640)	(4 482)	(4 482)	(4 482)	(3 530)	(2 550)	(2 774)
Cash/cash equivalents at the year end	51 467	65 366	74 945	27 853	61 702	61 702	61 702	47 942	39 643	31 172
Cash backing/surplus reconciliation										
Cash and investments available	46 791	65 366	74 945	27 853	61 702	61 702	61 702	47 942	39 643	31 172
Application of cash and investments	25 942	24 516	23 552	6 385	23 625	23 625	23 625	24 133	24 300	24 324
Balance - surplus/(shortfall)	34 849	40 780	51 393	19 468	37 876	37 876	37 876	23 809	14 643	6 848
Asset management										
Asset register summary (MCO)	303 558	317 186	331 873	346 405	347 787	347 787	347 787	358 465	366 068	371 902
Depreciation	9 285	7 474	9 901	9 329	10 389	10 389	10 389	11 419	11 577	11 578
Renewal and Upgrading of Existing Assets	—	—	—	12 446	12 729	12 729	12 729	12 984	13 961	14 212
Repairs and Maintenance	12 737	16 558	15 593	20 541	19 063	19 063	19 063	23 003	25 152	26 369
Free services										
Cost of Free Basic Services provided	7 418	8 344	9 679	12 859	12 473	12 473	12 473	13 639	14 252	15 339
Revenue cost of free services provided	3 582	3 795	3 695	3 406	3 788	3 788	3 788	4 403	4 336	4 640
Households below minimum service level										
Water	—	—	—	—	—	—	—	—	—	—
Sanitation/sewerage	—	—	—	—	—	—	—	—	—	—
Energy	—	—	—	—	—	—	—	—	—	—
Roads	—	—	—	—	—	—	—	—	—	—



Explanatory notes to Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow and MFMA funding compliance).
2. The table provides an overview of the amounts for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasize the importance of how the municipal budget is being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget.

The Budget Summary provides the key information in this regard:

- a. The operating surplus/deficit (after Total Expenditure) is supposed to be positive over the MTREF.
- b. Capital expenditure is balanced by capital funding sources, of which:
 - i. Transfers recognised is reflected on the Financial Performance Budget;
 - ii. Borrowing is incorporated in the net cash from financing in the Cash Flow Budget;
 - iii. Internally generated funds are supposed to be financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The municipality's cash flow should remain positive. The cash flow is indicating that there are limited cash resources available to fund the Capital Budget and that the municipality is dependent on borrowing and Government Grants and Subsidies to finance future capital needs; and
 - iv. This scenario will remain a reality unless council embarked on a process on building cash reserves which will have a direct impact on future tariffs and taxes to be levied.



Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

WC034 Swellendam - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue - Functional										
Governance and administration		66 399	67 048	75 563	94 566	96 291	96 291	100 409	105 394	112 334
Executive and council		51 573	26 724	29 431	33 274	33 749	33 749	36 018	36 037	40 931
Finance and administration		7 626	60 325	46 132	61 692	62 542	62 542	54 391	67 357	71 423
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		44 124	52 248	67 584	70 705	82 381	82 381	70 544	62 178	83 058
Community and social services		7 664	5 403	5 895	9 163	10 431	10 431	10 644	7 143	7 423
Sport and recreation		620	1 236	933	1 112	1 110	1 110	1 025	1 110	1 201
Public safety		36 633	40 577	63 114	53 033	50 069	50 069	50 575	52 004	53 454
Housing		-	5 027	1 622	7 400	20 771	20 771	8 302	1 900	21 000
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		14 267	981	1 229	1 076	1 026	1 026	1 033	1 186	1 244
Planning and development		1 005	858	1 176	1 017	967	967	1 035	1 108	1 105
Road transport		13 261	63	52	58	66	66	58	69	59
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		103 004	107 382	115 225	138 407	132 843	132 843	141 746	154 326	163 927
Energy sources		68 955	71 326	75 329	85 704	83 774	83 774	92 757	102 184	107 006
Water management		13 646	13 774	15 355	17 394	17 854	17 854	20 264	20 852	22 389
Waste water management		12 454	13 694	14 367	14 536	16 226	16 226	16 249	16 852	20 194
Waste management		7 937	8 088	8 514	8 473	8 789	8 789	10 416	12 427	14 338
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	230 764	247 859	259 581	287 154	312 341	312 341	313 792	323 064	360 593
Expenditure - Functional										
Governance and administration		54 517	66 175	57 854	66 250	69 004	69 004	69 573	82 640	98 273
Executive and council		24 391	29 033	16 450	26 362	29 710	29 710	29 508	30 436	31 795
Finance and administration		30 125	36 191	37 291	57 534	57 795	57 795	57 812	60 225	64 364
Internal audit		-	951	1 312	1 453	1 460	1 460	1 553	1 979	2 115
Community and public safety		49 427	64 357	69 620	66 578	75 762	75 762	69 479	64 254	85 192
Community and social services		11 786	6 601	9 864	7 226	7 369	7 369	8 519	6 170	8 486
Sport and recreation		7 619	6 757	9 664	11 632	11 748	11 748	11 544	12 829	13 673
Public safety		30 022	40 112	46 767	36 225	36 362	36 362	36 677	35 155	38 701
Housing		-	6 687	3 336	9 294	16 223	16 223	10 338	4 029	23 333
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		21 321	16 354	26 036	22 469	24 195	24 195	23 638	25 419	26 989
Planning and development		2 570	2 931	3 953	5 267	5 219	5 219	5 338	5 666	6 041
Road transport		18 751	13 423	15 063	17 212	16 976	16 976	16 299	19 753	20 948
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		69 135	91 973	97 738	128 460	124 378	124 378	139 792	148 883	158 662
Energy sources		60 051	62 221	67 284	82 353	82 956	82 956	88 324	94 259	101 319
Water management		9 639	10 633	9 821	11 277	13 032	13 032	16 624	17 652	18 686
Waste water management		8 225	12 055	13 514	17 233	18 016	18 016	16 404	19 540	20 480
Waste management		10 620	6 054	7 119	9 558	10 335	10 335	16 440	17 353	18 397
Other	4	1 605	786	1 181	1 271	871	871	410	430	452
Total Expenditure - Functional	3	216 005	238 345	245 938	289 057	314 210	314 210	322 891	331 625	369 768
Surplus/(Deficit) for the year		14 759	9 514	13 644	(1 904)	(1 869)	(1 869)	(9 099)	(8 561)	(9 205)



Explanatory notes to Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenue (Transfers recognized – capital) and therefore does not balance to the operating revenue shown on Table A4.
3. Note that as a general principle the revenues for the trading services should exceed their expenditures.
4. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources reflected under executive and council as well as finance and administration.



Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

WC034 Swellendam - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue by Vote										
Vote 1 - Municipal Manager	1	802	83	8	379	791	791	400	-	-
Vote 2 - Corporate Services		62 048	27 922	30 821	33 923	34 171	34 171	36 864	39 156	42 129
Vote 3 - Financial Services		7 566	43 024	45 914	46 069	46 891	46 891	50 520	54 741	58 309
Vote 4 - Engineers Service		108 327	116 294	120 104	136 549	137 470	137 470	145 096	154 508	162 673
Vote 5 - Community Services		51 943	60 337	61 969	78 606	90 458	90 458	80 292	73 747	96 646
Vote 6 - Community Services Continued		113	1	767	608	759	759	719	912	803
Total Revenue by Vote	2	230 794	247 659	259 581	297 154	312 341	312 341	313 792	323 064	360 563
Expenditure by Vote to be appropriated										
Vote 1 - Municipal Manager	1	7 073	5 069	6 584	8 935	8 816	8 816	8 835	8 800	9 125
Vote 2 - Corporate Services		32 281	35 706	30 281	40 255	40 932	40 932	41 942	44 054	46 352
Vote 3 - Financial Services		21 336	21 532	24 411	28 873	29 066	29 056	29 997	32 750	35 050
Vote 4 - Engineers Services		97 256	101 218	109 187	134 750	139 204	139 204	145 197	153 905	164 227
Vote 5 - Community Services		59 852	74 729	73 517	78 405	88 073	88 078	87 871	83 714	105 915
Vote 6 - Community Services Continued		194	172	1 669	7 839	8 124	8 124	7 958	6 595	9 036
Total Expenditure by Vote	2	216 806	238 345	245 638	299 057	314 219	314 210	322 891	331 625	368 768
Surplus(Deficit) for the year	2	14 789	9 314	13 944	(1 904)	(1 898)	(1 869)	(9 109)	(8 561)	(9 205)

Explanatory notes to Table A3 - Budgeted Financial Performance (revenue and expenditure by vote)

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the municipality. This means it is possible to present the operating surplus or deficit of a vote.
2. This is the level at which council will approve the budget in terms of Section 24(2)(c)(iii) of the MFMA.



Table A4 - Budgeted Financial Performance (revenue and expenditure)

WC034 Swellendam - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description		Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue By Source												
Property rates	2		32 521	36 122	37 492	42 468	42 068	42 068	42 068	42 117	45 440	48 522
Service charges - electricity revenue	2		66 532	69 539	74 670	85 022	85 662	85 662	85 662	90 721	97 107	103 348
Service charges - water revenue	2		13 595	13 660	15 386	17 394	17 384	17 384	17 394	19 224	20 662	22 389
Service charges - sanitation revenue	2		12 442	13 420	14 335	14 792	15 168	15 168	15 168	16 187	16 767	20 125
Service charges - refuse revenue	2		7 521	8 088	8 514	8 473	8 788	8 788	8 789	10 416	12 429	14 338
Rental of facilities and equipment			1 387	673	742	621	691	691	691	737	776	823
Interest earned - external investments			3 536	4 164	5 033	4 165	4 966	4 966	4 993	4 715	5 475	5 746
Interest earned - outstanding debits			1 759	1 261	991	1 119	1 200	1 200	1 203	1 260	1 323	1 385
Dividends received			-	-	-	-	-	-	-	-	-	-
Fines, penalties and tribals			33 048	37 583	42 356	46 514	45 514	45 514	45 514	47 058	49 300	49 574
Loans and permits			540	1 270	1 851	1 355	1 372	1 372	1 372	1 440	1 513	1 585
Agency services			1 064	1 654	2 102	1 917	1 980	1 980	1 993	2 152	2 291	2 403
Transfers and subsidies			35 056	40 267	35 893	52 435	52 406	52 406	52 405	55 272	49 676	71 879
Other revenue	2		5 150	3 228	3 072	4 054	4 174	4 174	4 174	3 056	3 178	3 383
Gains			1 036	-	19	1 033	1 003	1 003	1 032	1 500	1 000	1 322
Total Revenue (excluding capital transfers and contributions)			219 662	238 168	246 231	261 832	261 404	261 404	261 404	297 668	301 364	347 211
Expenditure By Type												
Employee related costs	2		75 140	82 915	85 634	106 348	108 735	108 735	108 735	115 621	121 067	129 345
Remuneration councillors			4 379	4 954	5 103	5 514	5 637	5 637	5 637	6 658	6 033	6 455
Depreciation	3		22 619	24 772	25 331	34 238	36 921	36 921	36 921	36 921	36 921	36 921
Depreciation & asset impairment	2		9 265	7 474	6 831	9 123	10 389	10 389	10 389	11 419	11 577	11 979
Finance charges			3 145	6 696	5 301	6 525	6 525	6 525	6 525	6 057	5 501	5 759
Bulk purchases	2		93 442	51 602	55 670	67 295	67 295	67 295	67 295	72 733	77 646	83 671
Other materials	6		-	17 470	20 474	21 577	14 437	14 437	14 437	13 237	14 552	15 835
Contracted services			-	13 704	15 297	24 032	35 795	35 795	35 795	30 758	30 454	51 103
Transfers and subsidies			1 464	1 297	1 700	2 912	360	360	360	165	274	283
Other expenditure	4, 5		43 509	19 178	12 939	16 557	24 125	24 125	24 125	25 213	26 726	28 345
Losses			2	345	-	-	-	-	-	-	-	-
Total Expenditure			219 665	238 345	246 633	266 937	261 210	261 210	261 210	322 851	301 825	349 789
Surplus/(Deficit)												
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			546	(8 177)	593	(17 125)	(22 806)	(22 806)	(22 806)	(25 223)	(25 262)	(22 657)
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)			14 242	17 491	13 360	15 222	20 557	20 557	21 907	16 124	14 793	13 352
Transfers and subsidies - capital (in-kind - all)			-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions			14 788	9 314	13 944	(1 504)	(1 859)	(1 859)	(1 859)	(9 099)	(8 561)	(9 235)
Taxation			-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation			14 788	9 314	13 944	(1 504)	(1 859)	(1 859)	(1 859)	(9 099)	(8 561)	(9 235)
Attributable to minorities			-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality			14 788	9 314	13 944	(1 504)	(1 859)	(1 859)	(1 859)	(9 099)	(8 561)	(9 235)
Share surplus/(deficit) of associate	7		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year			14 788	9 314	13 944	(1 504)	(1 859)	(1 859)	(1 859)	(9 099)	(8 561)	(9 235)



Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)

1. Total revenue amounts to R297.668 million for 2020/21.
2. Revenue to be generated from property rates is R42.117 million in the 2020/21 financial year which represents 14.15% of the operating revenue base of the municipality and therefore remains a significant funding source for the municipality.
3. Service charges relating to electricity, water, sanitation and refuse removal constitutes the largest component of the revenue basket of the municipality totaling to R138.339 million for the 2020/21 financial year and reflecting 46.47% of the total revenue base.
4. Fines, penalties and forfeits also significantly contributes to the revenue basket totaling to R47.055 million for the 2020/21 financial year and reflecting 15.81% of the total revenue base.
5. Transfers of operating grants recognised, includes the local government equitable share and other operating grants received from national and provincial government. This revenue only realising after preset conditions were met. It needs to be noted that the transfers recognised fluctuates due to the nature of expenses in the provincial housing grant.
6. More detail regarding the employee related cost and the remuneration of councillors are provided in Section 11 of this report.
7. More emphasis will be placed on the debt impairment; depreciation charges and the finance charges in Section 10 – Budget Funding.
8. Employee related costs and bulk purchases are the main cost drivers within the municipality and alternative operational efficiencies will have to be identified and instituted to reduce the impact of wage and bulk tariff increases in future years.



Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

WC034 Swellendam - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand											
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Municipal Manager		-	-	-	-	-	-	-	-	-	-
Vote 2 - Corporate Services		-	-	-	-	-	-	-	-	-	-
Vote 3 - Financial Services		-	-	-	-	-	-	-	-	-	-
Vote 4 - Engineers Services		-	-	11 006	12 470	12 470	12 471	12 470	-	-	-
Vote 5 - Community Services		-	-	-	2 669	3 478	3 475	3 473	-	-	-
Vote 6 - Community Services Continued		-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	11 006	15 073	15 948	15 945	15 943	-	-	-
Single-year expenditure to be appropriated	2										
Vote 1 - Municipal Manager		-	-	-	-	-	-	-	38	-	-
Vote 2 - Corporate Services		374	45	1 234	105	100	100	101	163	265	80
Vote 3 - Financial Services		375	2 475	1 202	860	850	850	861	1 180	1 740	1 590
Vote 4 - Engineers Services		10 330	12 970	3 203	4 091	4 526	4 528	4 505	16 586	17 102	16 072
Vote 5 - Community Services		3 788	4 395	201	334	4 770	4 770	4 770	4 504	80	550
Vote 6 - Community Services Continued		-	-	-	-	-	-	-	244	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		14 876	20 863	5 619	5 660	16 326	16 335	16 325	22 124	19 200	17 852
Total Capital Expenditure - Vote		14 876	20 863	16 583	20 559	26 274	26 274	26 264	22 124	19 200	17 852
Capital Expenditure - Functional											
Governance and administration		749	9 619	2 403	1 181	1 326	1 328	1 328	1 381	2 805	1 430
Executive and council		71	-	1 234	6	5	5	5	36	-	-
Finance and administration		-	3 619	1 200	1 175	1 323	1 323	1 323	1 543	2 005	1 630
Internal audit		970	-	-	-	-	-	-	-	-	-
Community and public safety		3 786	4 364	281	2 643	8 248	8 249	8 248	5 140	88	516
Community and social services		1 255	667	201	2 729	3 998	3 993	3 990	3 722	-	-
Sports and recreation		2 633	3 707	-	153	193	193	193	1 415	55	550
Public safety		-	-	-	21	11	11	11	10	-	-
Housing		-	-	-	-	4 445	4 440	4 445	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		2 180	7 334	4 163	5 125	6 003	6 003	6 003	5 375	7 185	7 087
Planning and development		-	-	-	35	27	27	27	-	-	-
Road transport		9 185	7 334	4 163	6 095	6 662	6 662	6 662	6 012	7 193	7 087
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		1 153	5 506	10 985	10 318	9 610	9 610	9 610	8 723	9 993	8 585
Energy services		231	201	5 215	3 435	2 008	2 008	2 003	1 743	4 343	2 660
Water management		919	4 737	5 374	6 094	6 194	6 194	6 194	6 684	5 415	5 629
Waste water management		-	512	1 926	1 207	1 007	1 007	1 007	290	140	150
Waste management		-	5	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	14 876	20 863	16 583	20 559	26 274	26 274	26 274	22 124	19 200	17 852
Funded by:											
National Government		12 644	12 654	11 605	12 470	12 470	12 471	12 470	11 588	14 700	13 352
Provincial Government		1 586	4 384	-	2 752	8 457	8 457	8 461	4 565	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National/Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	14 242	17 037	11 559	15 222	29 337	29 337	29 337	16 124	14 714	13 352
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds	8	634	3 445	6 425	5 337	5 337	5 337	5 337	6 022	4 522	4 501
Total Capital Funding	7	14 876	20 863	16 583	20 559	26 274	26 274	26 274	22 124	19 236	17 852



Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table A5 is a breakdown of the capital program in relation to capital expenditure by municipal vote (multi-year and single-year appropriations), capital expenditure by standard classification and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations.
3. Unlike multi-year capital appropriations which normally would result in work-in-progress at the end of a financial year, single-year appropriations relate to expenditure that will incur in the specific budget year such as the procurement of vehicles and specialised tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the inputs of departments and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included, but no commitments will be incurred against single-year appropriations for the two outer-years.
4. The capital program is funded from own funding and government grants and transfers. As mentioned previously the funding source of new borrowings is a remaining problem and the municipality is dependent on the bank sector and the risk assessment process to raise future loans.
5. For 2020/21 capital transfers from national and provincial government amounts to R16.124 million.



Table A6 -Budgeted Financial Position

WC034 Swellendam - Table A6 Budgeted Financial Position											
Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pro-udrk outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
ASSETS											
Current assets											
Cash		61 791	65 566	74 245	27 853	51 702	51 732	51 702	47 942	38 343	31 172
Call investment deposits	1	-	-	700	-	-	-	-	-	-	-
Consumer debtors	1	8 528	8 129	9 113	8 932	9 137	9 412	9 412	7 122	5 372	3 333
Other debtors		18 150	11 136	14 205	12 779	11 645	11 339	11 339	11 333	11 359	11 369
Current portion of long-term receivables		38	-	-	-	-	-	-	-	-	-
Inventory	2	11 157	10 432	3 993	10 274	3 747	3 747	3 747	3 722	3 874	4 032
Total current assets		86 672	85 093	101 821	59 838	66 231	66 231	66 231	70 135	59 258	49 812
Non current assets											
Long-term receivables		-	-	-	-	-	-	-	-	-	-
Investments		-	-	-	-	-	-	-	-	-	-
Investment property		25 211	25 373	17 150	24 886	17 552	17 552	17 552	16 555	15 507	16 315
Investment in Associates		-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	3	277 922	291 592	314 225	316 516	330 068	330 068	330 068	340 941	349 751	354 776
Biological		-	-	-	-	-	-	-	-	-	-
Intangible		425	435	506	586	430	430	430	363	279	207
Other non-current assets		5 268	5 113	156	4 416	156	171	171	171	171	171
Total non current assets		303 606	322 382	331 902	349 465	347 787	347 796	347 760	359 465	369 688	371 862
TOTAL ASSETS		407 628	417 384	433 723	408 244	434 018	433 991	433 991	429 600	425 346	421 674
LIABILITIES											
Current liabilities											
Bank overdraft	1	-	-	-	-	-	-	-	-	-	-
Borrowing	4	2 430	3 078	3 414	2 276	2 627	3 741	3 741	2 784	3 026	3 146
Consumer deposits		2 001	2 245	2 514	2 570	2 715	2 715	2 715	2 905	3 159	3 412
Trade and other payables	4	31 685	29 626	31 472	24 031	29 696	29 806	29 696	29 403	25 963	25 634
Provisions		24 996	21 454	10 675	28 508	13 569	13 569	13 569	13 685	13 973	23 524
Total current liabilities		61 082	61 603	48 074	57 385	49 009	49 923	49 923	53 778	53 148	53 816
Non current liabilities											
Borrowing		31 060	31 530	29 523	24 664	24 426	24 782	24 782	21 906	19 972	16 524
Provisions		51 662	51 523	63 442	55 677	74 767	74 767	74 767	30 404	85 568	92 575
Total non current liabilities		82 722	83 053	92 965	80 341	99 193	99 549	99 549	52 310	105 540	109 100
TOTAL LIABILITIES		143 804	144 656	141 039	137 726	148 202	149 472	149 472	106 088	158 688	164 916
NET ASSETS	5	263 824	269 928	292 685	267 518	285 815	284 519	284 519	273 420	266 658	257 853
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus (Deficit)		245 945	257 819	275 290	264 676	274 421	273 124	273 124	264 025	265 453	246 258
Reserves	4	12 688	12 409	11 395	2 840	11 395	11 395	11 395	11 395	11 395	11 395
TOTAL COMMUNITY WEALTH/EQUITY	5	263 824	269 928	292 685	267 518	285 815	284 519	284 519	273 420	266 658	257 853



Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of General Recognized Accounting Practices (GRAP) and assists councillors and management to understand the impact of the budget on the statement of financial position.
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international standard which presents assets less liabilities as the accounted Community Wealth. The order of items within each group, illustrates its liquidity; i.e. assets readily converted to cash or liabilities immediately required to be transformed in cash.
3. Table A6 is supported by an extensive table of notes (Table SA3) providing a detailed analysis of the major components of a number of items, including:
 - Call investments deposits;
 - Consumer debtors;
 - Property, plant and equipment;
 - Trade and other payables;
 - Provisions non-current;
 - Changes in net assets; and
 - Reserves
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the budgeted financial performance or the capital budget will inevitably impact on the budgeted financial position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.



Table A7 - Budgeted Cash Flow Statement

WC034 Swellendam - Table A7 Budgeted Cash Flows

Description		Ref	2018/17	2017/16	2016/15	Current Year 2016/20				2020/21 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates			32 923	36 063	37 239	39 685	39 286	39 286	39 286	41 275	44 531	47 548
Service charges			100 419	97 713	110 523	123 833	125 453	125 453	125 453	135 572	140 200	157 553
Other revenue			6 704	22 533	18 502	25 496	22 731	22 731	22 731	23 465	25 067	26 775
Transfers and Subsidies - Operational		1	43 240	34 465	42 506	52 435	62 426	62 405	62 406	55 272	43 876	71 876
Transfers and Subsidies - Capital		1	14 242	17 451	12 127	15 223	20 537	20 507	20 537	16 124	14 700	13 352
Interest			5 264	5 177	5 666	5 295	6 142	6 142	6 142	5 915	6 793	7 136
Dividends			-	-	-	-	-	-	-	-	-	-
Payments												
Suppliers and employees			(165 012)	(150 588)	(195 257)	(244 712)	(256 454)	(256 454)	(256 454)	(264 121)	(272 464)	(300 546)
Finance charges			(5 177)	(6 536)	(2 929)	(5 545)	(3 198)	(3 538)	(3 580)	(3 027)	(2 633)	(2 385)
Transfers and Grants		1	(1 586)	(1 297)	(1 700)	(2 522)	(360)	(352)	(360)	(1 650)	(274)	(269)
NET CASH FROM/USED IN OPERATING ACTIVITIES			31 497	25 917	27 799	12 116	16 513	16 513	16 513	10 385	11 759	11 854
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE			1 448	117	313	1 000	1 000	1 000	1 000	1 500	1 000	1 000
Decrease (increase) in non-current receivables			-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments			-	-	-	-	-	-	-	-	-	-
Payments												
Capital assets			(14 730)	(19 450)	(15 745)	(20 559)	(26 274)	(26 274)	(26 274)	(22 124)	(19 230)	(17 852)
NET CASH FROM/USED IN INVESTING ACTIVITIES			(13 343)	(19 343)	(15 432)	(19 559)	(25 274)	(25 274)	(25 274)	(20 624)	(18 230)	(16 852)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short-term loans			-	-	-	-	-	-	-	-	-	-
Borrowing long term/financing			-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits			112	244	255	190	201	201	201	210	234	253
Payments												
Repayment of borrowing			(3 324)	(2 215)	(3 032)	(4 039)	(4 683)	(4 683)	(4 683)	(3 741)	(2 734)	(3 026)
NET CASH FROM/USED IN FINANCING ACTIVITIES			(2 921)	(1 971)	(2 813)	(3 849)	(4 482)	(4 482)	(4 482)	(3 530)	(2 550)	(2 774)
NET INCREASE/ (DECREASE) IN CASH HELD			15 233	4 603	9 549	(11 296)	(13 244)	(13 244)	(13 244)	(13 759)	(9 000)	(7 771)
Cash/cash equivalents at the year begin:		2	36 434	60 791	85 398	39 151	74 945	74 945	74 945	61 702	47 942	38 843
Cash/cash equivalents at the year end:		2	51 667	65 395	74 945	27 855	61 702	61 702	61 702	47 942	38 943	31 172

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded. It shows the expected level of cash in-flows versus cash out-flows that is likely to result from the implementation of the budget. The net effect of budget (both capital & operational) is represented in the net increase or decrease in cash and cash equivalents.
2. Table A7 is supported by an extensive table (Table SA30) that provides a breakdown per month as well as providing a detailed analysis of the major sources of receipts and expenditure.



Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

WC034 Swellendam - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	51 557	65 396	74 945	27 853	61 702	61 702	61 702	47 942	38 943	31 172
Other current investments > 90 days		9 124	(0)	0	-	0	0	0	-	-	-
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		60 791	65 396	74 945	27 853	61 702	61 702	61 702	47 942	38 943	31 172
Application of cash and investments											
Unspent conditional transfers		11 505	-	(52)	835	124	124	124	124	124	124
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	768	12 507	12 203	4 903	12 357	12 307	12 307	12 515	12 782	12 605
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	13 669	12 109	11 395	2 642	11 355	11 395	11 395	11 355	11 355	11 395
Total Application of cash and investments:		25 942	24 616	23 552	8 385	23 825	23 825	23 825	24 133	24 300	24 324
Surplus(shortfall)		34 849	40 780	51 393	19 468	37 876	37 876	37 876	23 809	14 643	6 848

Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of the MFMA circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or a deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".



Table A9 - Asset Management

WC034 Swellendam - Table A9 Asset Management

Description		Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
CAPITAL EXPENDITURE											
Total Non Assets		1	14 876	20 853	18 985	8 113	13 845	13 545	8 146	8 239	9 540
Roads Infrastructure			4 340	7 331	7 163	-	-	-	400	200	210
Storm water Infrastructure			-	-	-	-	-	-	-	-	-
Electrical Infrastructure			250	291	1 733	3 433	2 823	2 653	-	1 750	-
Water Supply Infrastructure			915	4 727	-	553	887	887	1 367	-	-
Sewerage Infrastructure			-	512	11	-	-	-	-	-	-
Solid Waste Infrastructure			4 001	5	-	-	-	-	-	-	-
Rail Infrastructure			-	-	-	-	-	-	-	-	-
Coastal Infrastructure			-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure			-	-	-	-	-	-	-	-	-
Infrastructure			13 235	12 806	8 912	3 869	3 206	3 306	7 757	7 939	215
Community Facilities			1 265	657	-	2 522	3 752	3 752	4 156	50	50
Sports and Recreation Facilities			2 533	3 757	-	-	-	-	50	-	-
Community Assets			3 758	4 264	-	2 222	3 732	2 732	4 183	53	53
Heritage Assets			-	-	-	-	-	-	-	-	-
Revenue Generating			-	-	-	-	-	-	-	-	-
Non-revenue Generating			-	-	-	-	-	-	-	-	-
Investment properties			-	-	-	-	-	-	-	-	-
Operational Buildings			-	-	-	-	-	-	-	-	-
Housing			-	-	-	-	-	-	-	-	-
Other Assets			-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets			-	-	-	-	-	-	-	-	-
Scrublands			-	-	-	-	-	-	-	-	-
Licences and Rights			12	73	235	-	-	-	-	-	-
Intangible Assets			12	73	235	-	-	-	-	-	-
Computer Equipment			-	-	-	300	300	300	1 513	1 433	1 433
Furniture and Office Equipment			303	2 945	317	237	229	229	224	435	235
Machinery and Equipment			408	540	2 153	165	873	873	841	323	563
Transport Assets			-	854	852	-	300	300	1 033	1 122	1 453
Land			71	-	4 445	-	4 445	4 445	-	-	-
Zoo's, Marine and Non-Biological Animals			-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets		2	-	-	-	100	100	100	243	2 933	-
Roads Infrastructure			-	-	-	-	-	-	-	-	-
Storm water Infrastructure			-	-	-	-	-	-	-	-	-
Electrical Infrastructure			-	-	-	-	-	-	-	2 933	-
Water Supply Infrastructure			-	-	-	-	-	-	-	-	-
Sewerage Infrastructure			-	-	-	100	100	100	-	-	-
Solid Waste Infrastructure			-	-	-	-	-	-	-	-	-
Rail Infrastructure			-	-	-	-	-	-	-	-	-
Coastal Infrastructure			-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure			-	-	-	-	-	-	-	-	-
Infrastructure			-	-	-	333	153	153	-	2 633	-
Community Facilities			-	-	-	-	-	-	143	-	-
Sports and Recreation Facilities			-	-	-	-	-	-	-	-	-
Community Assets			-	-	-	-	-	-	143	-	-
Heritage Assets			-	-	-	-	-	-	-	-	-
Revenue Generating			-	-	-	-	-	-	-	-	-
Non-revenue Generating			-	-	-	-	-	-	-	-	-
Investment properties			-	-	-	-	-	-	-	-	-
Operational Buildings			-	-	-	-	-	-	100	200	-
Housing			-	-	-	-	-	-	-	-	-
Other Assets			-	-	-	-	-	-	153	200	-
Biological or Cultivated Assets			-	-	-	-	-	-	-	-	-
Scrublands			-	-	-	-	-	-	-	-	-
Licences and Rights			-	-	-	-	-	-	-	-	-
Intangible Assets			-	-	-	-	-	-	-	-	-
Computer Equipment			-	-	-	-	-	-	-	-	-
Furniture and Office Equipment			-	-	-	-	-	-	-	-	-
Machinery and Equipment			-	-	-	-	-	-	-	-	-
Transport Assets			-	-	-	-	-	-	-	-	-
Land			-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-Biological Animals			-	-	-	-	-	-	-	-	-
Total Upgrading of Existing Assets		6	-	-	-	12 346	12 626	12 426	12 746	11 153	14 212
Roads Infrastructure			-	-	-	8 055	8 555	8 355	5 511	5 627	5 627
Storm water Infrastructure			-	-	-	-	-	-	-	-	-
Electrical Infrastructure			-	-	-	-	-	-	1 736	-	2 665
Water Supply Infrastructure			-	-	-	5 114	5 067	5 067	4 752	5 285	5 638
Sewerage Infrastructure			-	-	-	1 157	907	907	200	142	150
Solid Waste Infrastructure			-	-	-	-	-	-	-	-	-
Rail Infrastructure			-	-	-	-	-	-	-	-	-
Coastal Infrastructure			-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure			-	-	-	-	-	-	-	-	-
Infrastructure			-	-	-	12 316	12 530	12 530	12 333	11 153	14 212
Community Facilities			-	-	-	-	-	-	-	-	-
Sports and Recreation Facilities			-	-	-	-	-	-	-	-	-



WC034 Swellendam - Table A9 Asset Management

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousands										
CAPITAL EXPENDITURE										
Community Assets		-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	30	30	30	345	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	30	30	30	345	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Services		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4	14 876	20 863	16 969	20 589	26 274	26 274	22 124	19 200	17 832
Roads Infrastructure		4 345	7 334	7 163	5 095	5 585	5 585	5 017	5 527	6 837
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		230	291	1 738	3 438	2 680	2 606	1 736	4 340	2 939
Water Supply Infrastructure		919	4 732	-	5 684	5 754	5 794	5 116	5 385	5 826
Sewerage Infrastructure		-	512	11	1 257	1 067	1 007	206	190	150
Solid Waste Infrastructure		4 831	5	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		53 285	12 800	8 912	16 405	16 005	16 935	14 196	13 759	14 422
Community Facilities		1 255	687	-	2 592	3 750	3 750	4 286	90	50
Sport and Recreation Facilities		2 532	3 707	-	-	-	-	40	-	-
Community Assets		3 788	4 264	-	2 922	2 792	2 792	4 338	59	88
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	36	36	30	435	200	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	30	30	30	445	255	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Services		-	-	-	-	-	-	-	-	-
Licences and Rights		12	73	266	-	-	-	-	-	-
Intangible Assets		12	73	266	-	-	-	-	-	-
Computer Equipment		-	-	-	866	866	900	1 010	1 430	1 489
Furniture and Office Equipment		303	2 043	517	227	228	228	224	495	230
Machinery and Equipment		406	548	2 146	185	673	673	941	123	330
Transport Assets		-	864	882	-	360	300	1 000	1 122	1 450
Land		71	-	4 448	-	4 448	4 448	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		14 876	20 863	16 969	20 589	26 274	26 274	22 124	19 200	17 832
ASSET REGISTER SUMMARY - PPE (WOW)	5	303 558	317 188	331 875	349 435	347 787	347 787	358 465	366 088	371 992
Roads Infrastructure		65 364	33 823	87 580	53 832	65 732	65 732	65 413	60 968	70 440
Storm water Infrastructure		7 432	89	25 553	28 229	2 419	2 419	38 688	30 012	29 338
Electrical Infrastructure		17 444	21 159	49 383	25 715	25 387	25 387	28 569	32 056	33 402
Water Supply Infrastructure		57 441	42 590	93 438	52 353	41 590	41 590	58 304	61 440	64 346
Sewerage Infrastructure		12 168	63 396	4 231	89 883	83 283	88 263	89 563	67 532	65 178
Solid Waste Infrastructure		-	-	-	72	2 528	2 028	2 104	2 096	2 090
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	5	24	24	-	-	-
Infrastructure		226 829	228 823	337 638	247 611	258 783	258 783	283 284	280 104	285 430
Community Assets		33 164	25 255	35 423	32 947	33 081	33 081	45 615	45 364	45 052
Heritage Assets		-	-	171	4 418	198	158	171	171	171
Investment properties		2 324	2 324	17 180	24 898	17 082	17 082	18 668	16 907	16 815
Other Assets		55 524	61 152	41 350	17 313	7 503	7 503	23 858	28 000	25 900
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		417	435	505	530	430	438	583	275	207
Computer Equipment		-	-	-	2 591	2 589	2 506	3 133	3 668	4 726
Furniture and Office Equipment		-	-	-	4 084	4 128	4 128	2 781	2 834	2 701
Machinery and Equipment		-	-	-	1 916	2 486	2 486	2 177	2 075	1 922
Transport Assets		-	-	-	7 140	8 885	8 885	7 881	8 358	9 069
Land		-	-	-	4 448	22 883	22 883	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WOW)	5	303 558	317 188	331 875	349 435	347 787	347 787	358 465	366 088	371 992



WC004 Swellendam - Table A0 Asset Management

Description	Ref	2015/17	2017/19	2018/19	Current Year 2020/21			2022/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/21	Budget Year +1 2023/22	Budget Year +2 2024/23
R thousand										
EXPENDITURE OTHER ITEMS		22 022	24 130	25 568	25 870	25 452	29 452	34 422	36 739	38 337
Depreciation	7	5 285	7 474	9 601	5 325	10 368	10 369	11 413	11 577	11 373
Repairs and Maintenance by Asset Class	3	12 737	15 656	15 966	20 544	15 083	19 083	23 003	25 162	26 963
Roads/Infrastructure		1 688	2 211	2 055	2 876	3 458	3 458	3 254	3 718	3 331
Stormwater/Infrastructure		-	883	404	703	632	632	664	697	732
Electrical Infrastructure		1 366	1 291	1 405	1 709	1 753	1 753	1 703	1 945	2 043
Water Supply Infrastructure		816	2 510	1 006	1 142	1 354	1 354	1 421	1 492	1 557
Sanitation Infrastructure		503	1 180	303	1 365	1 444	1 444	1 367	1 532	1 572
Solid Waste Infrastructure		1 050	1 056	1 310	2 406	2 309	2 309	6 052	6 394	7 234
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Cable/Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		5 734	8 883	7 839	10 257	10 552	16 952	15 100	16 436	17 248
Community Facilities		199	1 247	553	803	821	821	945	1 055	547
Sports and Recreation Facilities		233	329	543	538	557	557	494	513	644
Community Assets		558	1 575	1 197	1 581	1 478	1 478	1 429	1 685	1 606
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	195	-	-	-	-	-	-	-
Non-revenue Generating		-	-	174	333	285	285	301	315	331
Investment properties		-	199	174	263	265	266	307	316	321
Operational Buildings		871	525	353	522	525	525	500	579	627
Housing		-	-	-	-	-	-	-	-	-
Other Assets		871	525	353	622	625	625	530	578	607
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Services		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		1 788	2 500	2 624	3 421	1 283	1 283	360	1 022	1 114
Furniture and Office Equipment		74	89	7	85	90	91	128	135	143
Machinery and Equipment		482	541	1 425	4 292	4 445	4 445	4 051	5 023	5 322
Transport Assets		2 711	2 535	-	6	3	3	4	4	4
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		22 022	24 130	25 568	25 870	25 452	29 452	34 422	36 739	38 337
Renewal and upgrading of Existing Assets as % of total capex		0.0%	0.5%	5.0%	60.5%	48.4%	40.4%	59.7%	72.7%	79.6%
Renewal and upgrading of Existing Assets as % of deprec		0.0%	0.5%	5.0%	133.4%	122.5%	122.5%	113.7%	126.0%	116.0%
R&M as a % of PPE		4.0%	5.7%	5.0%	5.5%	5.6%	5.0%	6.7%	7.2%	7.4%
Renewal and upgrading and R&M as a % of PPE		4.0%	5.5%	5.0%	16.0%	3.0%	5.0%	16.0%	11.9%	11.0%



Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. National Treasury has recommended that municipalities should allocate at least 40% of their capital budget to the renewal of existing assets and allocations to repairs and maintenance should be 8% of PPE. The municipality does not meet both of these recommendations, because as mentioned above the annual budget input process was absolutely cut to a level which is realistic and affordable, due to financial constraints.
3. The table above provides an analysis between depreciation and operational repairs and maintenance over the MTREF and highlights the fact that the municipality's capital budget is excessive and will not address the maintenance backlog.



Table A10 - Basic Service Delivery Measurement

WC034 Swellendam - Table A10 Basic service delivery measurement

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2021/21 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Household service targets										
Water:										
Piped water inside dwelling	1	12 578	12 658	12 867	12 867	12 867	12 900	12 551	12 663	12 935
Piped water inside yard (not in dwelling)		-	-	-	-	-	-	-	-	-
Using public tap (at least min service level)	2	-	-	-	-	-	-	-	-	-
Other water supply (at least min service level)	4	-	-	-	-	-	-	-	-	-
Minimum Service Level and Above sub-total		12 578	12 658	12 867	12 867	12 867	12 900	12 551	12 663	12 935
Using public tap (< min service level)	2	-	-	-	-	-	-	-	-	-
Other water supply (< min service level)	4	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-
Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-
Total number of households	5	12 578	12 658	12 867	12 867	12 867	12 900	12 551	12 663	12 935
Sanitation coverage:										
Flush toilet (connected to sewerage)		12 186	12 002	12 500	12 500	12 352	12 352	12 775	12 778	12 778
Flush toilet (with septic tank)		-	-	-	-	-	-	-	-	-
Chemical toilet		-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		-	-	-	-	-	-	-	-	-
Other toilet provisions (> min service level)		-	-	-	-	-	-	-	-	-
Minimum Service Level and Above sub-total		12 186	12 002	12 500	12 500	12 352	12 352	12 775	12 778	12 778
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min service level)		-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-
Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-
Total number of households	5	12 186	12 002	12 500	12 500	12 352	12 352	12 775	12 778	12 778
Energy:										
Electricity (at least min service level)		1 792	1 798	1 798	1 798	1 798	1 798	1 793	1 794	1 794
Electricity - prepaid (min service level)		10 418	10 508	10 377	10 303	10 503	10 503	11 133	11 123	11 118
Minimum Service Level and Above sub-total		12 210	12 306	12 095	12 700	12 700	12 700	12 924	12 915	12 908
Electricity (< min service level)		-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min service level)		-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-
Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-
Total number of households	5	12 210	12 306	12 095	12 700	12 700	12 700	12 924	12 915	12 908
Refuse:										
Removed at least once a week		12 193	12 103	12 112	12 204	12 204	12 204	12 205	12 207	12 209
Minimum Service Level and Above sub-total		12 193	12 103	12 112	12 204	12 204	12 204	12 205	12 207	12 209
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-
Total number of households	5	12 193	12 103	12 112	12 204	12 204	12 204	12 205	12 207	12 209



WC034 Swellendam - Table A10 Basic service delivery measurement

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Households receiving Free Basic Service	7									
Water (5 kilolitre per household per month)		1 562	1 675	-	2 068	2 089	2 259	2 290	2 281	2 262
Sanitation (free minimum level service)		1 562	1 675	-	2 068	2 089	2 259	2 290	2 281	2 262
Electricity (free energy (50kwh per household per month)		1 562	1 584	-	1 925	1 925	2 259	2 290	2 281	2 262
Refuse (removed at least once a week)		1 562	1 584	-	2 068	2 089	2 259	2 290	2 281	2 262
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (5 kilolitre per indigent household per month)		1 851	1 262	2 287	2 683	2 683	2 683	3 083	2 582	3 332
Sanitation (free sanitation service to indigent households)		2 878	4 274	4 737	5 670	5 468	5 469	5 652	5 065	5 276
Electricity (free energy (50kwh per indigent household per month)		234	365	-	790	759	793	845	584	957
Refuse (removed once a week for indigent households)		2 146	2 413	2 652	3 856	3 541	3 541	4 179	4 381	5 175
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		-	-	-	-	-	-	-	-	-
Total cost of PBS provided		7 438	8 344	9 676	12 999	12 473	12 473	13 358	14 062	15 339
Highest level of free service provided per household										
Property rates (R value threshold)		100 000	100 000	100 000	100 000	100 000	100 000	100 000	100 000	100 000
Water (kilolitre per household per month)		5	6	6	6	6	6	6	6	6
Sanitation (kilolitre per household per month)		-	-	-	-	-	-	-	-	-
Sanitation (Rand per household per month)		219	236	253	270	270	270	264	256	281
Electricity (kwh per household per month)		50	50	50	50	50	50	50	50	50
Refuse (average litres per week)		-	-	-	-	-	-	-	-	-
Revenue cost of subsidised services provided (R'000)	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)		-	-	-	-	-	-	-	-	-
Property rates (exemption, reductions and rebates and impermissible values in excess of section 17 of MPRA)		3 162	3 795	3 688	3 493	3 736	3 736	4 403	4 338	4 641
Water (in excess of 6 kilolitre per indigent household per month)		-	-	-	-	-	-	-	-	-
Sanitation (in excess of free sanitation service to indigent households)		-	-	-	-	-	-	-	-	-
Electricity (free energy (in excess of 50 kwh per indigent household per month)		-	-	-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)		-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates		-	-	-	-	-	-	-	-	-
Housing - top structure subsidies		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total revenue cost of subsidised services provided		3 162	3 795	3 688	3 493	3 736	3 736	4 403	4 338	4 641

Explanatory notes to Table A10 - Basic Service Delivery Measurement

- Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.



Part 2 – Supporting Documentation

Section 5 - Overview of the annual budget process

Section 53 of the MFMA requires the mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition, Chapter 2 of the Municipal Budget and Reporting Regulations states that the mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the mayor in discharging the responsibilities set out in section 53 of the MFMA.

The Budget Steering Committee consists of the finance portfolio committee members.

The primary aim of the Budget Steering Committee is to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there are proper alignment between the policy and service delivery priorities set out in the municipality's IDP and the budget, taking into account the need to protect the financial sustainability of the municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

5.1 Budget Process Overview

In terms of section 21 of the MFMA the mayor is required to table in council ten months before the start of the new financial year a time schedule that sets out the process to revise the IDP and prepare the budget.

The mayor tabled the required timetable end of August 2019.

5.2 Financial Modeling and Key Planning Drivers

The following key factors and planning strategies have informed the compilation of the 2020/21 MTREF:

- Municipality's growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e. inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- Debtor payment levels
- The need for tariff increases versus the ability of the community to pay for services
- Improved and sustainable service delivery



In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 98, 99, 100 and Annexure to 99 has been taken into consideration in the planning and prioritisation process.

Section 6 - Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realised through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with national and provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area.

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the municipality's response to these requirements.

The national and provincial priorities, policies and strategies of importance include amongst others:

- Green Paper on National Strategic Planning of 2009;
- Government Programme of Action;
- Development Facilitation Act of 1995;
- Provincial Growth and Development Strategy (GGDS);
- National and Provincial spatial development perspectives;
- Relevant sector plans such as transportation, legislation and policy;
- National Key Performance Indicators (NKPis);
- Accelerated and Shared Growth Initiative (ASGISA);
- National 2014 Vision;
- National Spatial Development Perspective (NSDP) and



- The National Priority Outcomes.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP.

In order to ensure integrated and focused service delivery between all spheres of government it was important for the municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities.

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the municipality. The five-year programme responds to the development challenges and opportunities faced by the municipality by identifying the key performance areas to achieve the strategic objectives.

The 2020/21 MTREF has therefore been directly informed by the IDP revision process and the following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

WC034 Swellendam - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	2018/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year+1 2021/22	Budget Year+2 2022/23	
R thousand													
Enhance access to basic services and address maintenance backlogs	Basic service delivery	A		132 321	100 968	103 293	131 582	130 304	133 390	142 845	152 212	161 834	
To create a capacitated people-oriented institution	Institutional development and transformation	B		271	4 725	5 328	5 033	6 382	6 382	6 397	6 173	6 540	
To create a safe and healthy living environment	Basic service delivery	C		37 145	28 452	45 029	53 084	50 138	50 138	50 849	52 082	53 537	
To develop integrated and sustainable settlements with a view to correct spatial imbalances	Institutional development and transformation	D		7 324	1 363	1 027	1 028	678	976	1 046	1 119	1 196	
To enhance economic development with focus on both first and second economies	Economic Development	E		724	570	540	542	542	542	1 022	1 137	1 196	
To improve financial viability and management	Financial management	F		7 363	58 159	41 291	48 030	48 691	48 691	50 320	54 741	58 309	
To promote good governance and community participation	Good governance and public participation	G		60 915	22 541	43 236	41 217	50 891	52 021	45 368	47 823	52 756	
Allocations to other priorities													
Total Revenue (excluding capital transfers and contributions)													
				1	216 532	230 196	245 231	281 932	281 404	281 414	297 968	308 364	347 211



Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

WC034 Swellendam - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	
				R thousand									
Enhance access to basic services and address maintenance backlogs	Basic service delivery	A		104 530	139 887	153 164	136 395	141 625	141 625	155 640	163 895	174 719	
To create a capacitated people-centered institution	Institutional development and transformation	B		8 793	12 354	13 366	14 401	14 723	14 723	15 346	16 153	17 544	
To create a safe and healthy living environment	Basic service delivery	C		40 477	43 367	45 921	62 350	62 472	62 472	62 505	63 614	66 123	
To develop integrated and sustainable settlements with the view to correct spatial imbalances	Institutional development and transformation	D		14 217	3 664	5 116	5 337	5 302	5 302	5 424	5 748	6 120	
To enhance economic development with focus on both first and second economies	Economic Development	E		1 648	2 405	2 702	2 852	2 487	2 497	2 321	2 148	2 263	
To improve financial viability and management	Financial management	F		22 167	35 821	32 203	33 877	34 033	34 935	35 892	38 016	41 754	
To promote good governance and community participation	Good governance and public participation	G		34 178	38 992	46 143	43 795	53 815	53 815	46 664	46 784	51 624	
Allocations to other priorities													
Total Expenditure				1	216 935	238 345	245 658	299 937	314 210	314 210	322 891	331 625	369 748

Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure

WC034 Swellendam - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

20004 Swaziland - Supporting Table on Recommendation 10: Strategic Objectives and Budget (capital expenditure)													
Strategic Objective	Goal	Goal Code	Ref	2016/17	2017/18	2018/19	Current Year 2018/20			2020/21 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	
R thousand													
Enhance access to basic services and address maintenance backlogs	Basic service delivery	A		10 256	15 756	13 215	19 442	19 442	19 442	19 234	17 102	15 672	
To create a capacitated people-centered institution	Institutional development and transformation	B		303	16	33	-	-	-	40	40	50	
To create a safe and healthy living environment	Basic service delivery	C		3 582	2 116	4 962	90	5 755	5 755	1 375	93	930	
To develop integrated and sustainable settlements with the view to correct spatial imbalances	Institutional development and transformation	D		207	10	13	-	-	-	-	-	-	
To enhance economic development with focus on both first and second economies	Economic Development	E		-	-	-	-	-	-	-	-	-	
To improve financial viability and management	Financial management	F		417	2 740	1 651	966	995	995	1 160	1 740	1 550	
To promote good governance and community participation	Good governance and public participation	G		71	185	75	72	72	72	255	225	30	
Allocations to other priorities				3									
Total Capital Expenditure				1	14 879	20 883	16 885	25 559	26 274	26 274	22 124	19 200	17 852



Section 7 - Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the municipality has developed and implemented a performance management system of which the system is constantly refined as the integrated planning process unfolds. The municipality targets, monitors, assess and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered, plans and budgets for next year, implementation for the current year and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting, implementation and reporting cycle can be graphically illustrated as follows:

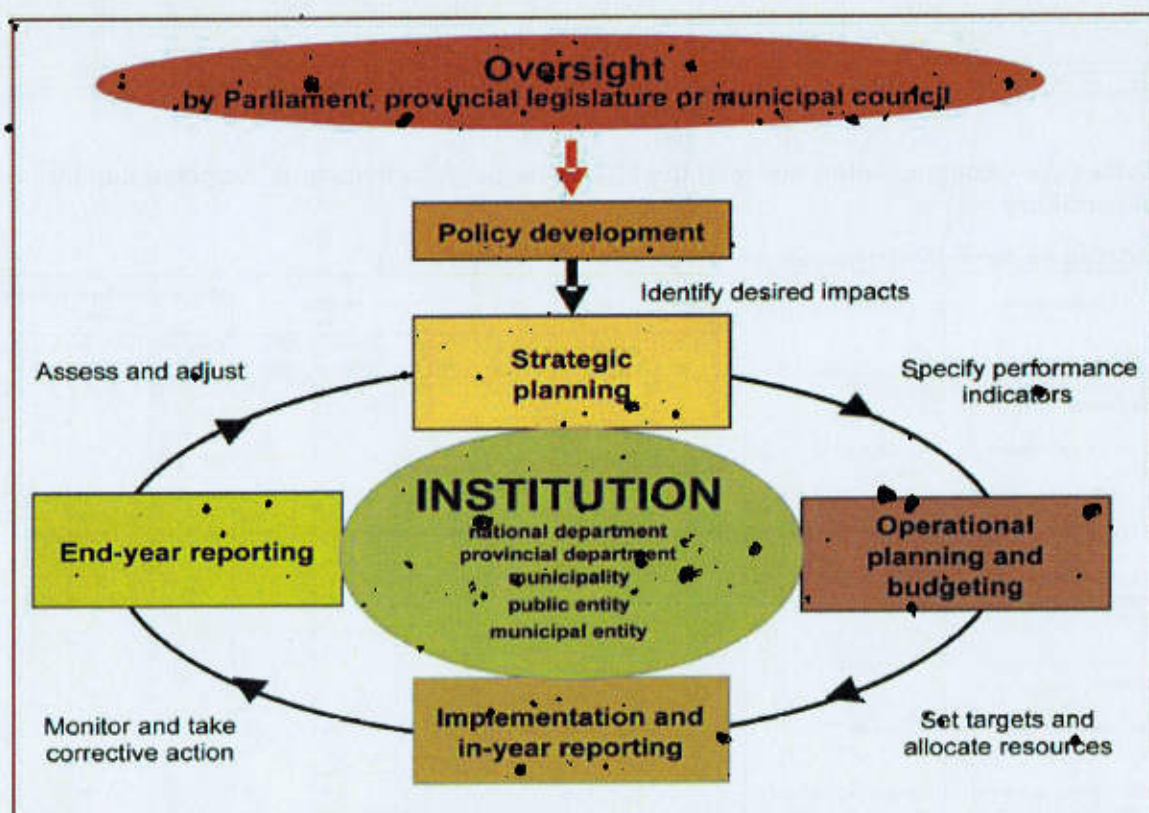


Figure 3 - Planning, budgeting, implementation and reporting cycle

The performance of the municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The municipality therefore has adopted one integrated performance management system which encompasses:



- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).



The performance information concepts used by the municipality in its integrated performance management system are aligned to the *Framework of Managing Programme Performance Information* issued by National Treasury:

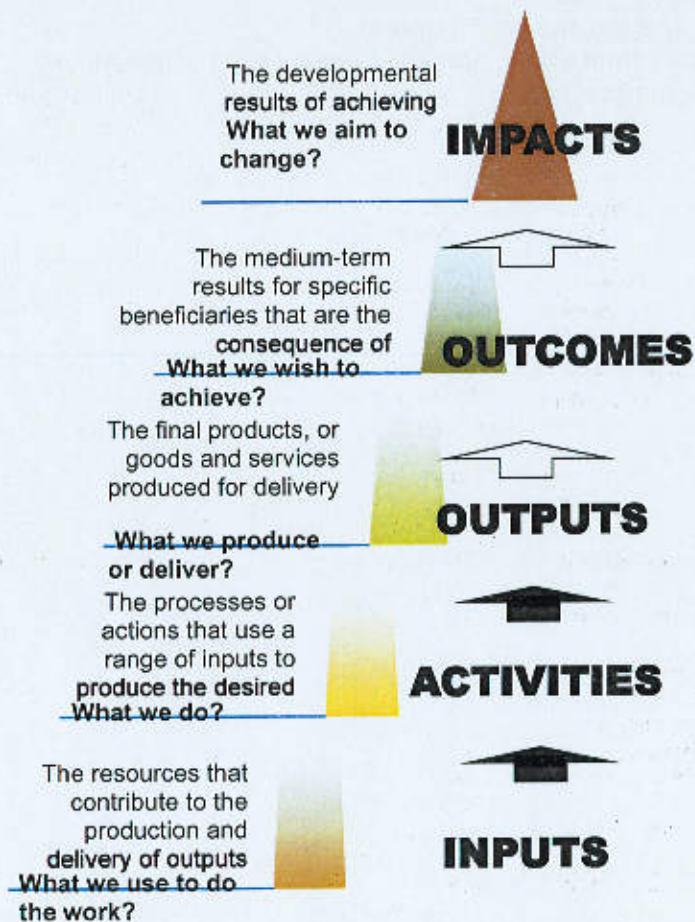


Figure 4 - Definition of performance information concepts



The following table sets out the municipality's main performance objectives and benchmarks for the 2020/21 MTREF.

Table SA8 - Performance indicators and benchmarks

WC034 Swellendam - Supporting Table SA8 Performance indicators and benchmarks		2020/21 Medium Term Revenue & Expenditure Framework									
Description of financial indicator	Basis of calculation	2016/17	2017/18	2018/19	Current Year 2019/20			Pre-audit outcome	2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast		Budget Year +1 2021/22	Budget Year +2 2022/23	
Borrowing Management											
Credit Rating	Interest & Principal Paid/Operating Expenditure	5.6%	3.7%	3.6%	3.5%	3.6%	3.6%	3.6%	3.0%	2.6%	2.4%
Capital Charges to Operating Expenditure	Finance charges & repayment of borrowing	6.7%	4.7%	4.3%	4.0%	4.9%	4.9%	4.9%	4.1%	3.4%	3.2%
Capital Charges to Own Revenue	Own Revenue	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Borrowed funding of own capital expenditure	Borrowing/Capital expenditure acc. transfers and grants and contributions										
Safety of Capital	Long Term Borrowing/Funds & Reserves	242.0%	263.6%	250.3%	934.3%	214.4%	217.5%	217.5%	193.1%	166.5%	137.1%
Liquidity	Current assets/current liabilities	1.6	1.5	2.1	1.0	1.8	1.7	1.7	1.4	1.1	0.9
Current Ratio	Current assets less debtors > 90 days/current liabilities	1.6	1.5	2.1	1.0	1.8	1.7	1.7	1.4	1.1	0.9
Current Ratio adjusted for aged debtors	Monetary Assets/Current Liabilities	1.0	1.1	1.8	0.5	1.3	1.2	1.2	0.9	0.7	0.6
Revenue Management	Lost 12 Mths Received/Lost 12 Mths Billed										
Annual Debtors Collection Rate (Payment Level %)											
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		100.0%	100.0%	95.7%	98.2%	98.1%	98.0%	98.0%	98.0%	98.0%	98.0%
Outstanding Debtors to Revenue		95.7%	95.7%	98.2%	98.1%	98.0%	98.0%	98.0%	98.0%	98.0%	98.0%
Longstanding Debtors Recovered		17.3%	8.4%	9.5%	7.7%	7.1%	7.1%	7.1%	6.2%	5.3%	4.2%
Creditors Management	Total Outstanding Debtors to Annual Revenue	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old											
% of Creditors Paid Within Terms (within MT MA + 65%)		80.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%
Other Indicators											
Electricity Distribution Losses (2)	Total Volume Losses (MM)	5 519 600	5 403 016	5 530 408	5 638 142	5 638 142	5 638 142	5 638 142	5 684 523	5 751 469	5 808 983
	Total Cost of Losses (Rand '000)	9 020	5 905	5 427	5 162	5 162	5 162	5 162	5 214	6 266	5 318
	% Volume (units purchased and generated less units sold)/units purchased and generated	13.0%	10.0%	10.4%	9.7%	9.7%	8.7%	9.7%	9.7%	9.7%	9.7%
		400 307	346 953	248 837	345 548	345 548	345 548	345 548	349 003	352 494	355 018
Water Distribution Losses (2)	Total Volume Losses (M)	1 902	1 421	1 152	1 546	1 546	1 546	1 546	1 581	1 577	1 593
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated	34.0%	23.3%	16.2%	11.8%	11.8%	11.8%	11.8%	11.8%	11.8%	11.8%
		34 171	35 272	34 876	38 476	37 336	37 336	37 336	38 876	39 336	37 336
Employee costs	Employee costs/Total Revenue - capital	34.1%	35.2%	34.8%	38.4%	37.3%	37.3%	37.3%	38.8%	39.3%	37.3%
Remuneration	Total remuneration/Total Revenue - capital	38.7%	39.2%	39.0%	40.4%	39.2%	39.2%	39.2%	40.7%	41.2%	39.1%
Repairs & Maintenance	Repairs & Maintenance/Total Revenue excluding capital	5.9%	7.2%	6.3%	7.3%	6.0%	6.5%	6.5%	7.7%	8.2%	7.6%
Finance charges & Depreciation	FCAD/Total Revenue - capital revenue	8.6%	6.1%	6.3%	5.6%	5.8%	5.8%	5.8%	5.9%	5.7%	5.1%
IPD regulation financial viability indicators											
i. Debt coverage	{Total Operating Revenue - Operating Grants/Debt service payments due within financial year}	24.5	21.2	22.2	21.2	21.2	21.2	23.6	25.3	25.4	27.1
LOOS Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	19.9%	13.7%	15.4%	13.0%	12.3%	12.3%	12.3%	10.2%	8.4%	7.0%
ii. Cost coverage	(Available cash + investments)/monthly fixed operational expenditure	3.5	3.8	4.2	1.3	2.7	2.7	2.7	2.0	1.6	1.1

7.1 Performance indicators and benchmarks

7.1.1 Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. The borrowing strategy must be primarily informed by the affordability of debt repayments. The structure of the municipality's debt portfolio is dominated by annuity loans. The following financial performance indicators have formed part of the compilation of the 2020/21 MTREF:

- *Capital charges to operating expenditure* are a measure of the cost of borrowing in relation to the operating expenditure. It can be seen that the cost of borrowing has been stable, while borrowing is considered a prudent financial instrument in financing capital infrastructure development, this indicator indicates that the capital program from new borrowings is realistic.
- *Borrowing funding of own capital expenditure* measures the degree to which own capital expenditure (excluding grants and contributions) has been funded by way of borrowings.

In summary, various financial risks could have a negative impact on the future borrowing capacity of the municipality. In particular, the continued ability of the municipality to meet its revenue targets and ensure its forecasted cash flow targets, but more so unrealistic capital programmes from new borrowings.

7.1.2 Safety of Capital

The *gearing ratio* is a measure of the total long term borrowings over funds and reserves. The ratio peaked at 2.5. As part of the planning guidelines it implicates that the municipality must ensure proper cash-backing of reserves and funds as a prudent financial sustainability objective and limited new borrowings.

7.1.3 Liquidity

Current ratio is a measure of the current assets divided by the current liabilities. The ratio is 1.4 in the 2020/21 financial year.

The *liquidity ratio* is a measure of the ability of the municipality to utilise cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations. The ratio is 0.9 in the 2020/21 financial year.



7.1.4 Revenue Management

In order to reach the targets and maintains the level of outstanding debtors to revenue, an aggressive revenue management framework must be implemented, not only from current billings but also from debtors that are in arrears in excess of 90 days. The intention of this strategy should be to ensure accurate billing, customer service, credit control and debt collection.

7.1.5 Creditors Management

For the municipality to ensure that creditors are settled within the legislated 30 days from date the invoice/statement poses to be a challenge. While the liquidity ratio is of concern, by applying daily cash flow management the municipality has managed to ensure an almost 100% compliance rate to this legislative obligation.

7.1.6 Other Indicators

Both *water and electricity distribution losses* are material. Initiatives to ensure that targets are achieved include managing illegal connections and theft of electricity, including prepaid meters.



Section 8 - Overview of budget related-policies

The municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

The following policies have been reviewed:

- Customer care and debt collection policy
- Asset Management Policy
- Supply Chain Management Policy and Preferential Procurement
- Budget Policy
- Banking Cash Management and Investment Policy
- Tariff Policy
- Bad Debt Write-Off Policy
- Petty Cash Policy
- Irregular Expenditure Policy
- Funding and Reserve Policy
- Borrowing Policy
- Indigent Policy
- Rates Policy



Section 9 - Overview of budget assumptions

9.1 External factors

Swellendam's income base comprise of mostly residential consumers and rate payers of which a material percentage are retired people with a fixed monthly income.

Eskom price increases are an external factor that council has no control over.

9.2 General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2020/21 MTREF:

- National government macro-economic targets;
- The general inflationary outlook and the impact on municipality's residents and businesses;
- The impact of municipal cost drivers;
- The increase in prices for bulk electricity; and
- The increase in the cost of remuneration.

Employee related costs comprise 37.56% of total operating expenditure in the forecast for the 2020/21 financial year and therefore these increases (which include salary increases and evaluation of posts) places a disproportionate upward pressure on the expenditure budget.

9.3 Interest rates for borrowing and investment of funds

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing under certain conditions. The 2020/21 MTREF is based on the assumption that no borrowings will be utilised.

9.4 Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate slightly higher than CPI over the long term. It is also assumed that current economic conditions and relatively controlled inflationary conditions will continue for the forecasted term.

The rate of revenue collection is currently expressed as 98% of annual amounts billed.

9.5 Salary increases

Refer to paragraph 9.2



Section 10 - Overview of budget funding

10.1 Medium-term outlook: operating revenue

Tariff setting plays a major role in ensuring desired levels of revenue. Correct and accurate tariffs are imperative in the compilation of a credible and funded budget. The municipality derives most of its operational revenue from the delivery of goods and services such as water, electricity, sanitation and solid waste removal. Apart from the services, other revenue i.e., operating grants, building plan fees, licenses and permits, fines etc. are applicable. The rates and taxes will then be the shortfall in revenue, after all the revenue resources have been determined and will reflect the balancing number.

The proposed tariff increases for the 2020/21 MTREF on the different revenue categories are as follows:

- Property rates - 7 %
- Electricity - 6,24% (to be finalised by NERSA)
- Water (units) - 8%
- Refuse Removal - 15%
- Sewerage - 5%

The tables below provide detail investment information and investment particulars by maturity.

Table SA15 – Detail Investment Information

WC034 Swellendam - Supporting Table SA15 Investment particulars by type

Investment type	Ref	2018/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand										
Parent municipality										
Securities - National Government		-	-	-	-	-	-	-	-	-
Listed Corporate Bonds		-	-	-	-	-	-	-	-	-
Deposits - Bank		-	-	700	-	-	-	-	-	-
Deposits - Public Investment Commissioners		-	-	-	-	-	-	-	-	-
Deposits - Corporation for Public Deposits		-	-	-	-	-	-	-	-	-
Bankers Acceptance Certificates		-	-	-	-	-	-	-	-	-
Negotiable Certificates of Deposit - Banks		-	-	-	-	-	-	-	-	-
Guaranteed Endowment Policies (sinking)		-	-	-	-	-	-	-	-	-
Repurchase Agreements - Banks		-	-	-	-	-	-	-	-	-
Municipal Bonds		-	-	-	-	-	-	-	-	-
Municipality sub-total	1	-	-	700	-	-	-	-	-	-
Consolidated total:		-	-	700	-	-	-	-	-	-

Table SA16 – Investment particulars by maturity

Not applicable as the municipality does not have investments at year end.



Section 11 - Councilor and employee benefits

Table SA22 - Summary of councilor and staff benefits

WC034 Swellendam - Supporting Table SA22 Summary councilor and staff benefits

Summary of Employee and Councilor remuneration		Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
			A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)											
Basic Salaries and Wages			4 379	5 124	-	4 345	4 345	4 345	4 477	4 790	5 126
Pension and UIF Contributions			-	-	-	397	408	408	382	403	438
Medical Aid Contributions			-	-	-	19	19	19	17	18	20
Motor Vehicle Allowance			-	-	-	358	363	368	313	335	369
Cellphone Allowance			-	-	-	505	505	505	449	491	514
Housing Allowances			-	-	-	-	-	-	-	-	-
Other benefits and allowances			-	-	-	-	-	-	-	-	-
Sub Total - Councillors			4 379	5 124	-	5 594	5 637	5 637	5 638	6 033	6 465
% increase		4		17,8%	(100,0%)	-	0,8%	-	0,9%	7,0%	7,3%
Senior Managers of the Municipality											
Basic Salaries and Wages		2	4 422	6 002	-	5 249	5 249	5 249	5 427	5 807	6 214
Pension and UIF Contributions			624	-	-	722	722	722	749	801	867
Medical Aid Contributions			-	-	-	73	73	73	74	80	85
Overline			-	-	-	-	-	-	-	-	-
Performance Bonus			537	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		3	447	-	-	363	363	363	327	360	374
Cellphone Allowance		3	90	-	-	62	62	62	62	67	71
Housing Allowances		3	-	-	-	-	-	-	-	-	-
Other benefits and allowances		3	133	-	-	89	84	84	117	89	92
Payments in lieu of leave			-	-	-	-	-	-	-	-	-
Long service awards			-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		8	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality			6 213	6 002	-	6 559	6 554	6 554	6 757	7 194	7 694
% increase		4		(3,4%)	(100,0%)	-	(0,8%)	-	3,1%	6,5%	7,0%
Other Municipal Staff											
Basic Salaries and Wages			42 176	50 231	-	65 664	65 323	65 323	70 326	72 851	77 830
Pension and UIF Contributions			10 465	8 892	-	10 482	10 375	10 375	11 323	12 116	12 964
Medical Aid Contributions			-	6 588	-	6 148	6 165	6 165	6 766	7 240	7 747
Overline			5 103	3 207	-	3 667	4 745	4 745	3 888	4 156	4 443
Performance Bonus			270	653	-	-	-	-	-	-	-
Motor Vehicle Allowance		3	4 784	4 419	-	5 425	5 335	5 335	5 942	6 358	6 803
Cellphone Allowance		3	-	-	-	373	369	369	387	414	443
Housing Allowances		3	417	691	-	606	606	606	688	736	786
Other benefits and allowances		3	5 405	3 621	-	4 157	3 885	3 885	3 812	4 027	4 244
Payments in lieu of leave			-	906	-	1 053	1 053	1 053	1 137	1 255	1 290
Long service awards			157	-	-	352	368	368	373	229	245
Post-retirement benefit obligations		8	1 720	-	-	3 955	3 955	3 955	4 232	4 529	4 846
Sub Total - Other Municipal Staff			68 927	79 038	-	101 793	102 181	102 181	108 954	113 852	121 652
% increase		4		14,7%	(100,0%)	-	0,4%	-	6,9%	4,6%	6,8%
Total Parent Municipality											
			79 519	90 163	-	113 942	114 372	114 372	121 260	127 093	135 801
				13,4%	(100,0%)	-	0,4%	-	6,9%	4,8%	6,9%
Total Municipal Entities											
			-	-	-	-	-	-	-	-	-
TOTAL SALARY, ALLOWANCES & BENEFITS											
			79 519	90 163	-	113 942	114 372	114 372	121 260	127 093	135 801
% increase		4		13,4%	(100,0%)	-	0,4%	-	6,9%	4,8%	6,9%
TOTAL MANAGERS AND STAFF											
		5,7	75 146	85 039	-	108 348	108 735	108 735	115 621	121 057	129 346



Table SA25 - Budgeted monthly revenue and expenditure

[illegible]

Table SA26 - Budgeted monthly revenue and expenditure (municipal vote)

WC034 Swellendam - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)																	
Description		Ref	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
R thousand			July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue by Vote																	
	Vote 1 - Municipal Manager		104	8	15	24	24	92	8	8	64	12	16	24	400	-	-
	Vote 2 - Corporate Services		8 854	766	1 448	2 131	2 131	7 594	766	766	5 533	1 118	1 459	3 538	36 654	39 155	42 129
	Vote 3 - Financial Services		6 727	3 855	3 859	3 576	3 955	4 305	3 800	3 878	4 122	3 887	4 148	4 028	50 620	54 741	58 309
	Vote 4 - Engineers Services		12 914	11 225	11 567	10 603	10 161	10 723	9 852	10 244	11 374	15 025	14 876	16 162	145 036	154 508	162 673
	Vote 5 - Community Services		8 612	5 357	6 146	5 897	6 474	7 772	4 906	5 442	7 983	6 582	7 050	7 592	80 292	73 747	96 646
	Vote 6 - Community Services Continued		57	57	57	65	65	50	50	57	72	72	57	57	719	912	808
	Total Revenue by Vote		37 389	21 329	23 483	22 656	22 850	38 876	19 383	20 395	29 169	26 685	27 647	31 508	313 792	323 664	360 563
Expenditure by Vote to be appropriated																	
	Vote 1 - Municipal Manager		409	615	798	626	620	888	674	689	1 031	647	758	1 141	8 885	8 605	9 128
	Vote 2 - Corporate Services		2 405	2 619	4 478	2 622	2 762	4 190	3 060	3 155	4 209	2 753	2 819	6 709	41 942	44 054	46 352
	Vote 3 - Financial Services		1 458	2 161	2 841	2 161	2 200	3 269	2 368	2 460	2 861	2 139	2 384	3 657	29 957	32 750	36 050
	Vote 4 - Engineers Services		3 594	12 169	16 591	11 764	10 355	14 502	9 721	10 985	12 581	9 896	10 250	23 714	146 197	153 906	164 227
	Vote 5 - Community Services		4 630	5 746	6 836	5 666	5 764	7 461	5 925	7 175	10 772	6 556	7 544	13 736	87 871	83 714	105 975
	Vote 6 - Community Services Continued		394	463	645	437	457	703	483	518	1 405	562	745	1 276	7 958	8 595	9 036
	Total Expenditure by Vote		12 770	23 773	32 168	23 275	22 199	38 944	22 250	24 997	32 498	22 722	24 511	50 293	322 891	331 625	369 768
	Surplus/(Deficit) before assoc.		24 600	(2 444)	(8 705)	(530)	(69)	(117)	(2 877)	(4 602)	(3 781)	3 974	3 136	(13 383)	(9 099)	(8 561)	(9 245)
Transfer																	
	Attributable to municipalities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Share of surplus/(deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Surplus/(Deficit)		24 600	(2 444)	(8 705)	(530)	(69)	(117)	(2 877)	(4 602)	(3 781)	3 974	3 136	(13 383)	(9 099)	(8 561)	(9 245)



Table SA27 - Budgeted monthly revenue and expenditure (standard classification)

WC034 Swellendam - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)

R thousand	Description	Ref	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
			July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue - Functional	Governance and administration		18 712	4 671	5 793	6 286	6 697	13 140	4 576	5 045	10 468	7 884	8 142	14 764	160 489	105 384	112 334
	Executive and council		8 975	860	1 381	2 071	2 071	7 939	600	650	5 023	1 036	1 381	3 571	38 015	38 037	40 031
Revenue - Functional	Finance and administration		7 737	3 891	4 412	4 215	4 626	5 201	3 885	4 355	4 945	6 858	6 861	7 213	64 381	67 357	71 403
	Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenue - Functional	Community and public safety		7 824	4 615	3 366	5 124	5 702	4 866	4 117	4 462	7 115	5 711	4 605	7 107	70 544	62 178	63 008
	Community and social services		1 714	453	450	454	553	1 517	1 881	330	1 105	1 200	1 200	1 401	10 644	7 143	7 403
Revenue - Functional	Spent and recreation		53	53	53	92	61	84	81	81	50	52	92	90	1 025	1 110	1 201
	Public safety		3 879	4 174	4 403	4 090	4 528	3 678	3 884	4 062	4 508	4 090	4 221	5 028	50 575	52 004	53 454
Revenue - Functional	Housing		2 159	186	332	488	480	1 906	1 696	1 696	1 308	246	332	489	4 300	4 300	21 000
	Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenue - Functional	Economic and environmental services		94	84	83	96	96	96	84	84	102	95	96	94	1 163	1 165	1 244
	Planning and development		93	83	83	93	93	93	83	83	93	93	93	93	1 036	1 038	1 180
Revenue - Functional	Road transport		14	2	3	4	4	12	2	2	9	2	3	4	58	59	58
	Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenue - Functional	Trading services		12 726	11 558	12 238	11 198	10 384	10 453	10 685	10 684	11 481	12 985	13 003	13 916	141 748	151 326	143 827
	Electric services		9 144	8 175	8 250	7 270	6 445	6 416	6 363	6 432	7 340	8 654	8 622	9 615	92 787	102 164	107 006
Revenue - Functional	Water management		1 285	1 486	1 685	1 626	1 628	1 628	1 628	1 628	1 594	1 731	1 731	1 721	20 384	20 852	22 388
	Waste management		1 600	1 402	1 460	1 460	1 460	1 460	1 460	1 460	1 642	1 642	1 642	1 642	18 246	18 832	20 194
Revenue - Functional	Other		613	613	613	613	613	613	613	613	613	613	613	613	10 416	12 427	14 338
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenue - Functional	Total Revenue - Functional		27 316	21 325	23 413	22 616	22 850	38 176	19 363	20 395	29 169	24 155	27 147	31 600	213 782	322 864	340 543
Expenditure - Functional	Governance and administration		4 710	6 081	3 949	5 990	6 242	9 409	6 111	7 855	8 830	4 214	4 823	13 569	89 373	92 648	98 273
	Executive and council		1 510	1 721	3 362	1 706	1 761	2 643	2 003	2 041	3 037	1 788	1 950	5 806	29 536	30 435	31 755
Expenditure - Functional	Finance and administration		3 160	4 152	5 418	4 108	4 338	6 503	4 506	4 854	5 120	4 280	4 521	6 743	57 812	60 222	64 354
	Internal audit		120	127	149	136	142	173	144	180	173	166	152	201	1 653	1 975	2 115
Expenditure - Functional	Community and public safety		3 973	4 432	3 156	4 611	4 702	5 594	4 808	5 555	7 640	5 396	5 814	10 677	69 479	64 254	65 182
	Community and social services		449	340	775	500	578	962	667	656	995	670	685	1 112	8 519	8 456	8 456
Expenditure - Functional	Spent and recreation		596	853	1 044	885	914	1 370	927	1 025	980	913	931	1 406	11 344	12 629	13 673
	Public safety		2 530	2 723	2 841	2 736	2 769	3 063	2 792	3 771	3 084	3 071	3 079	6 123	38 677	39 155	39 701
Expenditure - Functional	Health		103	517	736	461	441	596	495	504	2 576	892	1 116	2 030	10 338	4 089	21 333
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Expenditure - Functional	Economic and environmental services		1 032	1 464	2 261	1 539	1 491	2 537	1 471	1 679	2 911	1 624	1 831	3 812	23 831	25 419	26 989
	Planning and development		305	364	405	360	362	556	425	441	546	424	435	630	5 538	5 668	6 041
Expenditure - Functional	Road transport		207	1 100	1 809	1 178	1 097	2 061	1 057	1 239	2 435	1 220	1 346	2 971	18 286	19 753	20 948
	Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Expenditure - Functional	Trading services		2 953	11 635	15 919	11 016	9 616	12 416	9 132	10 216	13 359	9 370	10 217	23 427	139 792	148 853	154 862
	Electric services		792	8 801	10 475	7 952	6 626	7 246	6 004	6 740	8 226	6 147	6 214	15 268	88 324	94 259	101 319
Expenditure - Functional	Water management		814	1 027	1 706	1 059	1 074	2 031	1 067	1 234	1 839	1 122	1 179	2 449	16 624	17 602	18 686
	Waste management		850	1 052	2 068	1 053	1 136	2 354	1 120	1 279	2 384	1 183	1 259	2 793	18 494	19 540	20 460
Expenditure - Functional	Other		537	855	1 310	920	853	1 246	541	1 021	3 042	1 138	1 508	2 917	16 440	17 303	18 307
			12	41	37	43	37	43	45	40	27	27	25	37	410	439	452
Expenditure - Functional	Total Expenditure - Functional		12 770	23 773	32 186	22 275	22 159	36 844	22 269	24 987	32 150	22 722	24 511	52 293	322 871	331 623	349 748
Expenditure - Functional	Budget (YTD) before assoc.		24 810	(2 444)	(8 165)	(400)	660	(117)	(2 877)	(4 802)	(3 781)	3 874	3 136	(18 391)	(9 890)	(6 591)	(9 205)
	Revenue (YTD) before assoc.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Expenditure - Functional	Surplus/(Deficit) of specific		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Surplus/(Deficit)		24 810	(2 444)	(8 165)	(400)	660	(117)	(2 877)	(4 802)	(3 781)	3 874	3 136	(18 391)	(9 890)	(6 591)	(9 205)

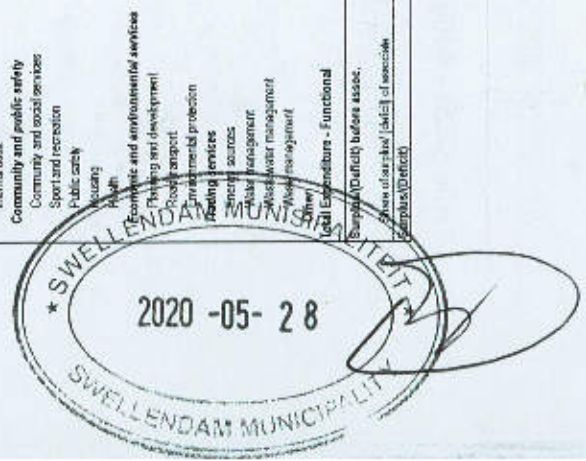


Table SA28 - Budgeted monthly capital expenditure (municipal vote)

WC034 Swellendam - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

R thousand	Description	Ref	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
			July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
1	Multi-year expenditure to be appropriated																
	Vote 1 - Municipal Manager																
	Vote 2 - Corporate Services																
	Vote 3 - Financial Services																
	Vote 4 - Engineers Services																
	Vote 5 - Community Services																
2	Capital multi-year expenditure sub-total																
	Single-year expenditure to be appropriated																
	Vote 1 - Municipal Manager																
	Vote 2 - Corporate Services																
	Vote 3 - Financial Services																
	Vote 4 - Engineers Services																
2	Capital single-year expenditure sub-total																
	Total Capital Expenditure																



Table SA29 - Budgeted monthly capital expenditure (standard classification)

WC034 Swellendam - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)

R thousand	Ref	Description	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
			July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
1		Capital Expenditure - Functional	92	92	92	210	117	117	179	117	92	92	92	92	1 381	2 005	1 530
		Governance and administration	-	-	-	38	-	-	-	-	-	-	-	-	38	-	-
		Executive and council	92	92	92	172	117	117	179	117	92	92	92	92	1 343	2 005	1 530
		Finance and administration	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Internal audit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Community and public safety	-	-	71	68	160	-	690	680	-	-	1 739	1 739	5 148	93	550
		Community and social services	-	-	6	58	120	-	60	-	-	-	1 739	1 739	3 722	-	-
		Sport and recreation	-	-	66	-	40	-	530	690	-	-	-	-	1 415	93	550
		Public safety	-	-	-	10	-	-	-	-	-	-	-	-	10	-	-
		Housing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Health	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Economic and environmental services	15	15	140	240	15	15	95	555	315	1 855	1 855	1 755	6 872	7 199	7 087
		Planning and development	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Road transport	15	15	140	240	15	15	95	555	315	1 855	1 855	1 755	6 872	7 199	7 087
		Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Trading services	243	243	298	648	328	243	593	640	460	1 603	1 603	1 603	8 723	9 903	8 585
		Energy sources	145	145	155	145	145	145	145	145	145	145	145	145	1 749	4 348	2 609
		Waste management	98	98	143	418	98	98	728	315	315	1 458	1 458	1 458	5 684	5 415	5 825
		Water management	-	-	-	85	85	-	120	-	-	-	-	-	290	140	150
		Waste management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2		Total Capital Expenditure - Functional	350	350	602	1 166	620	375	1 957	1 812	887	3 549	3 549	5 188	22 124	19 200	17 852
		Funded by:															
		National Government	243	243	243	243	243	243	243	243	243	243	3 124	3 124	11 559	14 700	13 352
		Provincial Government	-	-	-	-	-	-	-	217	217	217	1 957	1 957	4 365	-	-
		District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Transfers and subsidies - capital (monetary allocations)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		(National/Provincial/Departmental Agencies, Households, Non-profit institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Transfers recognised - capital	243	243	243	243	243	243	243	460	460	3 342	3 342	5 081	15 124	14 700	13 352
		Borrowing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		Internally generated funds	107	107	359	923	377	132	1 714	1 352	407	207	207	107	6 000	4 500	4 500
		Total Capital Funding	350	350	602	1 166	620	375	1 957	1 812	887	3 549	3 549	5 188	22 124	19 200	17 852

2020 -05- 2 8

Section 13 - Contracts having future budgetary implications

In terms of the municipality's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.



Section 14 - Capital expenditure details

The following tables present details of the municipality's capital expenditure program.



Table SA 34a - Capital expenditure on new assets by asset class

WC034 Swellendam - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		18 295	12 888	8 913	3 889	3 338	3 306	1 787	1 939	210
Roads Infrastructure		4 345	7 324	7 193	-	-	-	400	300	210
Roads		4 345	7 324	7 193	-	-	-	400	300	210
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		230	291	1 739	3 439	2 693	2 609	-	1 739	-
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	-	-	-	-	-	-	-	-
LV Networks		230	291	1 739	3 439	2 693	2 609	-	1 739	-
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		919	4 737	-	550	597	597	1 357	-	-
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		919	4 737	-	-	-	-	-	-	-
Pump Stations		-	-	-	550	597	597	380	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		-	-	-	-	-	-	-	-	-
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	1 087	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sewerage Infrastructure		-	512	11	-	-	-	-	-	-
Pump Station		-	-	-	-	-	-	-	-	-
Retreatment		-	-	-	-	-	-	-	-	-
Waste Water Treatment Works		-	512	-	-	-	-	-	-	-
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toler Facilities		-	-	11	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		4 601	5	-	-	-	-	-	-	-
Landfill Sites		4 601	5	-	-	-	-	-	-	-
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-



WC034 Swellendam - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand	1									
Capital expenditure on new assets by Asset Class/sub-class										
Community Assets		3 748	4 384	-	2 922	3 752	3 752	4 156	50	50
Community Facilities		1 253	657	-	2 922	3 752	3 752	4 156	50	50
Halls		53	-	-	-	-	-	40	-	-
Centres		-	657	-	-	-	-	10	-	-
Crèches		-	-	-	-	-	-	-	-	-
Clinics/Care Centres		-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations		-	-	-	-	-	-	-	-	-
Tattoo Studios		-	-	-	-	-	-	-	-	-
Museums		-	-	-	-	-	-	-	-	-
Galleries		-	-	-	-	-	-	-	-	-
Theatres		-	-	-	-	-	-	-	-	-
Libraries		1 049	-	-	2 509	3 478	3 478	3 478	-	-
Cemeteries/Crematoria		-	-	-	120	120	120	-	-	-
Parks		151	-	-	193	193	193	630	50	50
Public Open Space		-	-	-	-	-	-	-	-	-
Nature Reserves		-	-	-	-	-	-	-	-	-
Public Abandon Facilities		-	-	-	-	-	-	-	-	-
Monuments		-	-	-	-	-	-	-	-	-
Shops		-	-	-	-	-	-	-	-	-
Awards		-	-	-	-	-	-	-	-	-
Airports		-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		2 533	3 707	-	-	-	-	42	-	-
Indoor Facilities		-	-	-	-	-	-	-	-	-
Outdoor Facilities		2 533	3 707	-	-	-	-	42	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Monuments		-	-	-	-	-	-	-	-	-
Historic Buildings		-	-	-	-	-	-	-	-	-
Works of Art		-	-	-	-	-	-	-	-	-
Conservation Areas		-	-	-	-	-	-	-	-	-
Other Heritage		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property		-	-	-	-	-	-	-	-	-
Unimproved Property		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property		-	-	-	-	-	-	-	-	-
Unimproved Property		-	-	-	-	-	-	-	-	-
Other assets		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Municipal Offices		-	-	-	-	-	-	-	-	-
Play/Entertainment Parks		-	-	-	-	-	-	-	-	-
Building Plan Offices		-	-	-	-	-	-	-	-	-
Workshops		-	-	-	-	-	-	-	-	-
Yards		-	-	-	-	-	-	-	-	-
Stores		-	-	-	-	-	-	-	-	-
Landscape		-	-	-	-	-	-	-	-	-
Training Centres		-	-	-	-	-	-	-	-	-
Manufacturing Plant		-	-	-	-	-	-	-	-	-
Depots		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-



WC034 Swellendam - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Housing		-	-	-	-	-	-	-	-	-
Staff Housing		-	-	-	-	-	-	-	-	-
Social Housing		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		12	73	295	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		12	73	295	-	-	-	-	-	-
Water Rights		-	-	-	-	-	-	-	-	-
Effluent Licences		-	-	-	-	-	-	-	-	-
Solid Waste Licences		-	-	-	-	-	-	-	-	-
Computer Software and Applications		12	73	295	-	-	-	-	-	-
Local Government Software Applications		-	-	-	-	-	-	-	-	-
Unspecified		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	800	800	800	1 010	1 400	1 400
Computer Equipment		-	-	-	800	800	800	1 010	1 400	1 400
Furniture and Office Equipment		303	2 043	317	237	228	229	224	406	230
Furniture and Office Equipment		303	2 043	317	237	228	229	224	406	230
Machinery and Equipment		406	540	2 180	185	873	673	941	323	300
Machinery and Equipment		406	540	2 180	185	873	673	941	323	300
Transport Assets		-	964	852	-	300	300	1 300	1 122	1 490
Transport Assets		-	964	852	-	300	300	1 300	1 122	1 490
Land		71	-	4 445	-	4 445	4 445	-	-	-
Land		71	-	4 445	-	4 445	4 445	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	1	14 876	20 863	16 985	8 113	13 545	13 545	9 140	5 239	3 940



Table SA34c - Repairs and maintenance expenditure by asset class

WC034 Swellendam - Supporting Table SA34c Repairs and maintenance expenditure by asset class										
Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		5 734	3 591	7 809	10 231	10 952	10 952	15 110	16 431	17 248
Roads Infrastructure		1 888	2 211	2 690	2 676	3 458	3 458	3 254	3 718	3 901
Roads		1 888	73	2 484	2 659	3 172	3 172	2 953	3 402	3 509
Road Structures		-	1 874	-	-	-	-	-	-	-
Road Furniture		-	264	206	215	285	286	301	316	331
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	680	404	703	632	632	654	687	732
Drainage Collection		-	-	-	703	632	632	654	687	732
Storm water Conveyance		-	680	404	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		1 366	1 291	1 403	1 735	1 753	1 753	1 703	1 946	2 043
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		1 276	1 284	1 376	1 625	1 614	1 614	1 544	1 770	1 868
MF Substations		-	-	-	5	5	5	8	8	8
MF Switching Stations		-	-	-	-	-	-	-	-	-
MF Networks		-	-	-	-	-	-	-	-	-
LV Networks		120	7	27	109	135	135	153	161	169
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		818	2 310	1 006	1 142	1 364	1 364	1 421	1 482	1 567
Dams and Weirs		-	10	4	93	89	89	93	98	103
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		576	674	711	767	902	902	947	994	1 044
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		262	1 583	291	282	363	363	381	450	420
Raw Water		-	-	-	-	-	-	-	-	-
Distribution		-	43	-	-	-	-	-	-	-
Distribution Poles		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		500	1 160	503	1 385	1 444	1 444	1 367	1 592	1 672
Pump Station		-	-	-	-	-	-	-	-	-
Retreatment		308	353	-	-	-	-	-	-	-
Waste Water Treatment Works		276	807	593	1 385	1 444	1 444	1 367	1 592	1 672
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		1 030	1 036	1 310	2 436	2 300	2 306	6 582	6 584	7 334
Landfill Sites		1 030	1 036	1 310	2 436	2 300	2 306	6 582	6 584	7 334
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MF Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Seal Pumps		-	-	-	-	-	-	-	-	-
Pier		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Breakwaters		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-



WC034 Swellendam - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description		Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Repairs and maintenance expenditure by Asset Class/Sub-class											
Community Assets											
			996	1 576	1 197	1 591	1 478	1 478	1 429	1 569	1 590
	Community Facilities		795	1 247	653	853	921	921	945	1 056	947
	Halls		145	215	8	142	117	117	123	129	136
	Centres		-	-	7	32	122	122	125	195	44
	Crèches		-	-	-	-	-	-	-	-	-
	Clinics/Care Centres		-	-	-	-	-	-	-	-	-
	Fire/Ambulance Stations		128	181	-	-	-	-	-	-	-
	Testing Stations		-	-	-	-	-	-	-	-	-
	Museums		-	-	-	-	-	-	-	-	-
	Galleries		-	-	-	-	-	-	-	-	-
	Theatres		-	-	-	-	-	-	-	-	-
	Libraries		163	283	54	84	123	123	129	136	142
	Cemeteries/Crematoria		78	116	79	127	110	110	115	121	127
	Police		-	-	-	-	-	-	-	-	-
	Prison		251	-	925	498	450	450	452	475	495
	Public Open Space		-	472	-	-	-	-	-	-	-
	Nature Reserves		-	-	-	-	-	-	-	-	-
	Public Ablution Facilities		-	-	-	-	-	-	-	-	-
	Markets		-	-	-	-	-	-	-	-	-
	Stalls		-	-	-	-	-	-	-	-	-
	Abattoirs		-	-	-	-	-	-	-	-	-
	Airports		-	-	-	-	-	-	-	-	-
	Taxi Ranks/Bus Terminals		-	-	-	-	-	-	-	-	-
	Capital Spares		-	-	-	-	-	-	-	-	-
	Sport and Recreation Facilities		230	329	543	695	557	557	484	613	644
	Indoor Facilities		-	-	-	-	-	-	-	-	-
	Outdoor Facilities		230	329	543	695	557	557	484	613	644
	Capital Spares		-	-	-	-	-	-	-	-	-
Heritage assets											
			-	-	-	-	-	-	-	-	-
	Monuments		-	-	-	-	-	-	-	-	-
	Historic Buildings		-	-	-	-	-	-	-	-	-
	Works of Art		-	-	-	-	-	-	-	-	-
	Conservation Areas		-	-	-	-	-	-	-	-	-
	Other Heritage		-	-	-	-	-	-	-	-	-
Investment properties											
			-	195	174	303	286	286	301	316	331
	Revenue Generating		-	195	-	-	-	-	-	-	-
	Improved Property		-	-	-	-	-	-	-	-	-
	Unimproved Property		-	195	-	-	-	-	-	-	-
	Non-revenue Generating		-	-	174	303	286	286	301	316	331
	Improved Property		-	-	-	-	-	-	-	-	-
	Unimproved Property		-	-	174	303	286	286	301	316	331
Other assets											
			971	528	360	622	525	525	509	578	607
	Operational Buildings		971	526	360	622	525	525	500	578	607
	Municipal Offices		971	506	353	611	517	517	491	569	597
	Pay/Enquiry Points		-	-	-	-	-	-	-	-	-
	Building Plan Offices		-	-	-	-	-	-	-	-	-
	Workshops		-	-	-	-	-	-	-	-	-
	Yards		-	-	-	-	-	-	-	-	-
	Stores		-	20	7	10	8	8	9	9	10
	Laboratories		-	-	-	-	-	-	-	-	-
	Training Centres		-	-	-	-	-	-	-	-	-
	Manufacturing Plant		-	-	-	-	-	-	-	-	-
	Depots		-	-	-	-	-	-	-	-	-
	Capital Spares		-	-	-	-	-	-	-	-	-
Housing											
			-	-	-	-	-	-	-	-	-
	Staff Housing		-	-	-	-	-	-	-	-	-
	Social Housing		-	-	-	-	-	-	-	-	-
	Capital Spares		-	-	-	-	-	-	-	-	-



WC034 Swellendam - Supporting Table SA34c Repairs and maintenance expenditure by asset class										
Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Water Rights		-	-	-	-	-	-	-	-	-
Effluent Licenses		-	-	-	-	-	-	-	-	-
Solid Waste Licenses		-	-	-	-	-	-	-	-	-
Computer Software and Applications		-	-	-	-	-	-	-	-	-
Local Settlement Software Applications		-	-	-	-	-	-	-	-	-
Unspecified		-	-	-	-	-	-	-	-	-
Computer Equipment		1 756	2 600	2 624	3 421	1 283	1 283	850	1 002	1 114
Computer Equipment		1 756	2 600	2 624	3 421	1 283	1 283	850	1 002	1 114
Furniture and Office Equipment		74	89	7	85	90	90	129	136	143
Furniture and Office Equipment		74	89	7	85	90	90	129	136	143
Machinery and Equipment		462	541	3 426	4 282	4 445	4 445	4 651	5 028	5 322
Machinery and Equipment		462	541	3 426	4 282	4 445	4 445	4 651	5 028	5 322
Transport Assets		2 711	2 536	-	6	3	3	4	4	4
Transport Assets		2 711	2 536	-	6	3	3	4	4	4
Land		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	1	12 737	16 651	15 586	20 541	19 063	19 063	23 303	25 162	26 199
R&M as a % of PPE		4,6%	5,7%	5,0%	5,5%	5,8%	5,8%	7,0%	7,4%	7,6%
R&M as % Operating Expenditure		5,9%	7,0%	5,3%	5,5%	6,1%	6,1%	7,3%	7,8%	7,9%



Section 15 - Other supporting documents

Table SA1 - Supporting detail to budgeted financial performance

WC034 Swellendam - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand											
REVENUE ITEMS:											
Property rates	6										
Total Property Rates		35 755	38 917	41 179	43 675	43 675	43 675	43 675	46 520	49 776	53 250
less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		3 162	3 795	3 686	3 408	3 788	3 788	3 788	4 403	4 336	4 640
Net Property Rates		32 603	35 122	37 492	40 268	40 088	40 088	40 088	42 117	45 440	48 610
Service charges - electricity revenue	6										
Total Service charges - electricity revenue		67 136	66 934	74 670	85 411	86 451	86 451	86 451	91 545	98 011	104 915
less Revenue Foregone (in excess of 50 kWh per indigent household per month)											
less Cost of Free Basis Services (50 kWh per indigent household per month)		334	395	-	790	790	790	790	845	904	967
Net Service charges - electricity revenue		66 802	66 539	74 670	85 622	85 662	85 662	85 662	90 701	97 107	103 948
Service charges - water revenue	6										
Total Service charges - water revenue		14 660	14 922	17 682	20 077	20 077	20 077	20 077	22 118	23 763	25 471
less Revenue Foregone (in excess of 5 kilolitres per indigent household per month)											
less Cost of Free Basis Services (5 kilolitres per indigent household per month)		1 061	1 262	2 287	2 683	2 683	2 683	2 683	3 033	2 502	3 062
Net Service charges - water revenue		13 599	13 660	15 395	17 394	17 394	17 394	17 394	19 084	20 862	22 389
Service charges - sanitation revenue	6										
Total Service charges - sanitation revenue		16 319	17 794	19 072	20 482	21 627	21 627	21 627	24 019	24 653	26 401
less Revenue Foregone (in excess of free sanitation service to indigent households)											
less Cost of Free Basis Services (free sanitation service to indigent households)		3 873	4 274	4 737	5 670	5 459	5 459	5 459	5 832	5 886	6 276
Net Service charges - sanitation revenue		12 442	13 490	14 335	14 792	16 168	16 168	16 168	18 187	18 767	20 125
Service charges - refuse revenue	6										
Total refuse/removal revenue		9 667	10 501	11 366	12 330	12 330	12 330	12 330	14 596	16 806	19 352
Total landfill revenue											
less Revenue Foregone (in excess of one removal a week to indigent households)		-	-	-	-	-	-	-	-	-	-
less Cost of Free Basis Services (removed once a week to indigent households)		2 146	2 413	2 852	3 856	3 541	3 541	3 541	4 179	4 331	5 015
Net Service charges - refuse revenue		7 521	8 088	8 514	8 473	8 789	8 789	8 789	10 416	12 427	14 338
Other Revenue by source	1										
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Other Revenue		5 150	3 228	3 072	4 054	4 174	4 174	4 174	3 069	3 178	3 383
Total 'Other' Revenue		5 150	3 228	3 072	4 054	4 174	4 174	4 174	3 069	3 178	3 383



WC034 Swellendam - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description		Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand												
EXPENDITURE ITEMS:												
Employee related costs												
Basic Salaries and Wages	2		49 896	50 255	50 388	70 913	70 572	70 572	70 572	75 753	76 659	84 063
Pension and UIF Contributions			7 087	9 255	9 250	11 213	11 097	11 297	11 297	12 017	12 917	13 621
Medical Aid Contributions			3 893	5 250	4 596	6 216	6 236	6 236	6 238	6 841	7 320	7 832
Overtime			3 103	3 185	-	3 557	4 745	4 745	4 745	3 889	4 156	4 443
Performance Bonus			837	-	4 605	-	-	-	-	-	-	-
Motor Vehicle Allowance			3 048	4 624	4 834	5 758	5 590	5 590	5 593	6 259	6 706	7 177
Cellphone Allowance			-	13	310	436	431	431	431	449	461	515
Housing Allowances			417	596	457	606	606	606	605	655	736	799
Other benefits and allowances			3 055	4 267	7 091	4 246	3 971	3 971	3 971	3 929	4 117	4 335
Payments in lieu of leave			2 212	535	647	1 153	1 053	1 053	1 053	1 127	1 205	1 293
Long service awards			-	286	340	362	363	363	361	375	229	245
Provision for employee obligations	4		1 720	2 289	2 509	3 955	3 955	3 955	3 955	4 232	4 529	4 845
sub-total		5	75 140	80 915	85 634	108 348	108 735	108 735	108 735	115 621	121 057	128 348
Less: Employees costs capitalised to PPE												
Total Employee related costs		1	75 140	80 915	85 634	108 348	108 735	108 735	108 735	115 621	121 057	128 348
Depreciation & asset impairment												
Depreciation of Property, Plant & Equipment			9 045	7 474	9 732	9 329	10 389	10 389	10 389	11 419	11 577	11 978
Lease amortisation			-	-	71	-	-	-	-	-	-	-
Capital asset impairment			240	-	-	-	-	-	-	-	-	-
Total Depreciation & asset impairment		1	9 285	7 474	9 803	9 329	10 389	10 389	10 389	11 419	11 577	11 978
Bulk purchases												
Electricity Bulk Purchases			50 442	51 902	55 676	67 285	67 285	67 285	67 286	72 733	77 643	83 671
Water Bulk Purchases			-	-	-	-	-	-	-	-	-	-
Total bulk purchases		1	50 442	51 902	55 676	67 285	67 285	67 285	67 286	72 733	77 643	83 671
Transfers and grants												
Cash transfers and grants			1 484	1 257	1 700	2 502	363	352	350	160	274	289
Non-cash transfers and grants			-	-	-	-	-	-	-	-	-	-
Total transfers and grants		1	1 484	1 257	1 700	2 502	363	352	350	160	274	289
Contracted services												
Outsourced Services			-	9 988	5 725	7 893	9 653	9 653	9 653	10 450	10 549	11 343
Consultants and Professional Services			-	2 658	3 548	4 911	4 673	4 673	4 673	3 501	3 149	3 251
Contractors			-	2 658	3 924	11 285	25 554	25 554	25 554	22 304	16 795	36 515
Total contracted services			-	15 304	13 207	24 093	39 795	39 795	39 796	35 756	30 494	51 109
Other Expenditure By Type												
Collection costs			-	-	1 651	-	-	-	-	-	-	-
Contributors to other provisions			-	-	-	-	-	-	-	-	-	-
Audit fees			2 112	2 652	2 259	2 933	2 333	2 333	2 331	2 449	2 572	2 700
Other Expenditure			41 395	15 528	8 989	16 626	21 792	21 792	21 792	22 154	24 157	25 645
Total Other Expenditure		1	43 507	18 178	12 938	19 567	24 125	24 125	24 125	25 213	26 729	28 345
by Expenditure Item												
Employee related costs	9		-	-	-	-	-	-	-	-	-	-
Other materials			12 737	14 677	14 653	17 985	10 909	10 909	10 903	10 193	11 624	12 162
Contracted Services			-	1 979	735	2 547	7 703	7 703	7 703	12 316	13 131	13 546
Other Expenditure			-	-	-	-	445	445	445	434	557	531
Total Repairs and Maintenance Expenditure		9	12 737	16 656	15 388	20 531	19 063	19 063	19 063	23 003	25 112	26 359



Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)

WC034 Swellendam - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)								
Description	Ref	Vote 1 - Municipal Manager	Vote 2 - Corporate Services	Vote 3 - Financial Services	Vote 4 - Engineers Services	Vote 5 - Community Services	Vote 6 - Community Services Continued	Total
R thousand	1							
Revenue By Source								
Property rates		-	-	42 117	-	-	-	42 117
Service charges - electricity revenue		-	-	-	90 641	60	-	90 701
Service charges - water revenue		-	-	-	19 034	-	-	19 034
Service charges - sanitation revenue		-	-	-	16 167	-	-	16 167
Service charges - refuse revenue		-	-	-	-	10 416	-	10 416
Rental of facilities and equipment		-	11	-	-	3	719	732
Interest earned - external investments		-	-	4 715	-	-	-	4 715
Interest earned - outstanding debtors		-	-	1 260	-	-	-	1 260
Dividends received		-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	22	-	47 033	-	47 055
Licences and permits		-	-	29	-	1 412	-	1 440
Agency services		-	-	-	-	2 182	-	2 182
Other revenue		-	1 035	708	243	1 070	-	3 056
Transfers and subsidies		400	34 118	1 770	4 345	14 639	-	55 272
Gains		-	1 500	-	-	-	-	1 500
Total Revenue (excluding capital transfers and contributions)		400	36 664	50 620	132 451	76 614	719	297 668
Expenditure By Type								
Employee related costs		4 833	20 983	17 123	39 299	29 522	3 861	115 621
Remuneration of councillors		-	5 638	-	-	-	-	5 638
Debt impairment		-	1 012	-	3 908	32 101	-	36 921
Depreciation & asset impairment		20	493	484	9 323	881	209	11 419
Finance charges		-	6 097	-	0	-	-	6 097
Bulk purchases		-	-	-	72 733	-	-	72 733
Other materials		29	647	615	8 676	2 809	157	13 332
Contracted services		2 196	2 234	4 543	4 458	18 764	3 560	35 756
Transfers and subsidies		-	160	-	-	-	-	160
Other expenditure		1 808	4 679	7 023	7 669	3 793	212	25 213
Losses		-	-	-	-	-	-	-
Total Expenditure		8 865	41 942	29 997	146 197	67 671	7 998	322 891
Surplus/(Deficit)		(8 465)	(5 278)	20 623	(13 746)	(11 057)	(7 279)	(25 223)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		-	-	-	12 646	3 478	-	16 124
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(8 465)	(5 278)	20 623	(1 101)	(7 579)	(7 279)	(9 089)



SA32 – List of external mechanisms

The municipality has none, therefore the table is not included.



Section 16 – Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. In-year reporting

Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the executive mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the municipality's website.

2. Internship program

The municipality is participating in the Municipal Financial Management Internship program and has employed four interns undergoing training in various divisions of the Financial Services Department. The advertisement was placed for the fifth intern to be appointed.

3. Budget and Treasury Office

The Budget and Treasury Office has been established in accordance with the MFMA.

4. Audit Committee

An Audit Committee has been established and is fully functional.

5. Service Delivery and Implementation Plan

The detail SDBIP document is in a draft stage and will be finalized after the approval of the 2020/21 MTREF in May 2020 and will be directly aligned and informed by the 2020/21 MTREF.

6. Annual Report

The Annual report is compiled in terms of the MFMA and National Treasury requirements.

7. MMC Training

Only two financial interns currently employed still needs to finish their MMC training program.

8. Policies

Revised policies in terms of the Municipal Budget and Reporting Regulations are tabled with the 2020/21 MTREF.



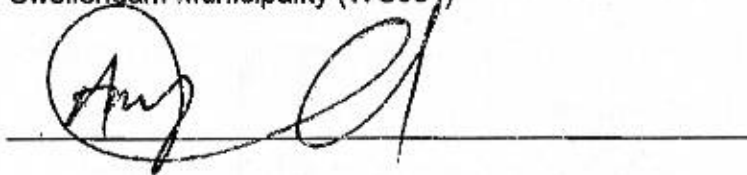
Section 17 - Municipal manager's quality certificate

I, A.M. Groenewald, Municipal Manager of Swellendam Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name ANTON MARK GROENEWALD

Municipal Manager of Swellendam Municipality (WC034)

Signature



Date

25.5.2020





SWELLEDAM MUNICIPALITY

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